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Presentation

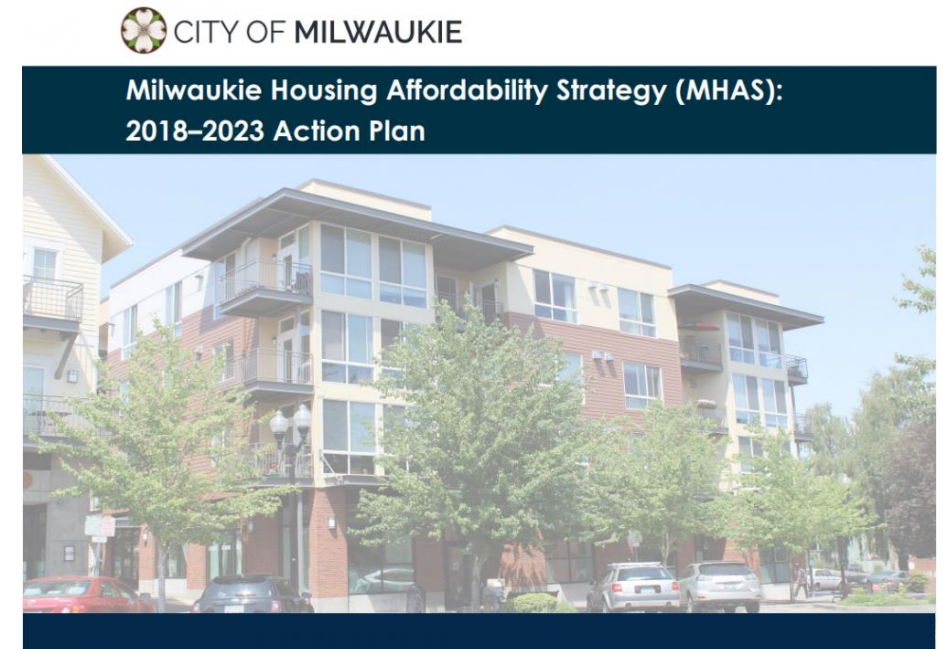
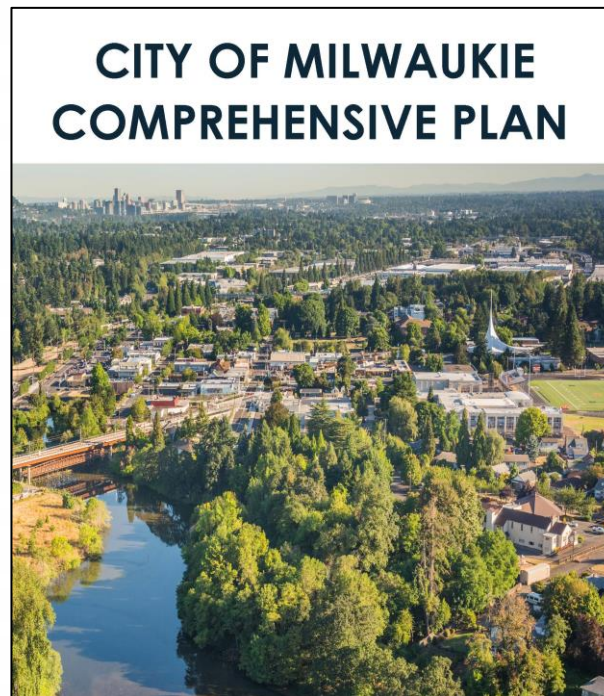
# Milwaukie Housing Capacity Analysis & Housing Production Strategy

## Presentation to the City Council

January 17, 2023

# Attainable Housing is important to Milwaukie

- Housing affordability - goal of Council for several years
- Community Vision calls for “all residents to have affordable housing”
- Comprehensive Plan Housing Goals include Equity and Affordability
- Housing Affordability Strategy – Action Plan



# Why do a Housing Capacity Analysis and Housing Production Strategy?

*Answer questions...*

- How much growth in 20-years?
- Where is the buildable land?
- Does Milwaukie have enough residential land to accommodate expected growth?
- What policies are needed to meet Milwaukie's housing needs?
  - Changes to regulatory policies to allow and support development of housing
  - Programs or actions to support development of housing affordable at all income levels



# Components of this Project

## Housing Capacity Analysis

- Developable Land
- Characteristics of residents
- Housing market & affordability
- Expected growth

## Housing Production Strategy

- Housing Affordability and needs for different groups
- Actions to support housing development & preservation
- Funding options

Adjustments to the  
Comprehensive Plan Policies

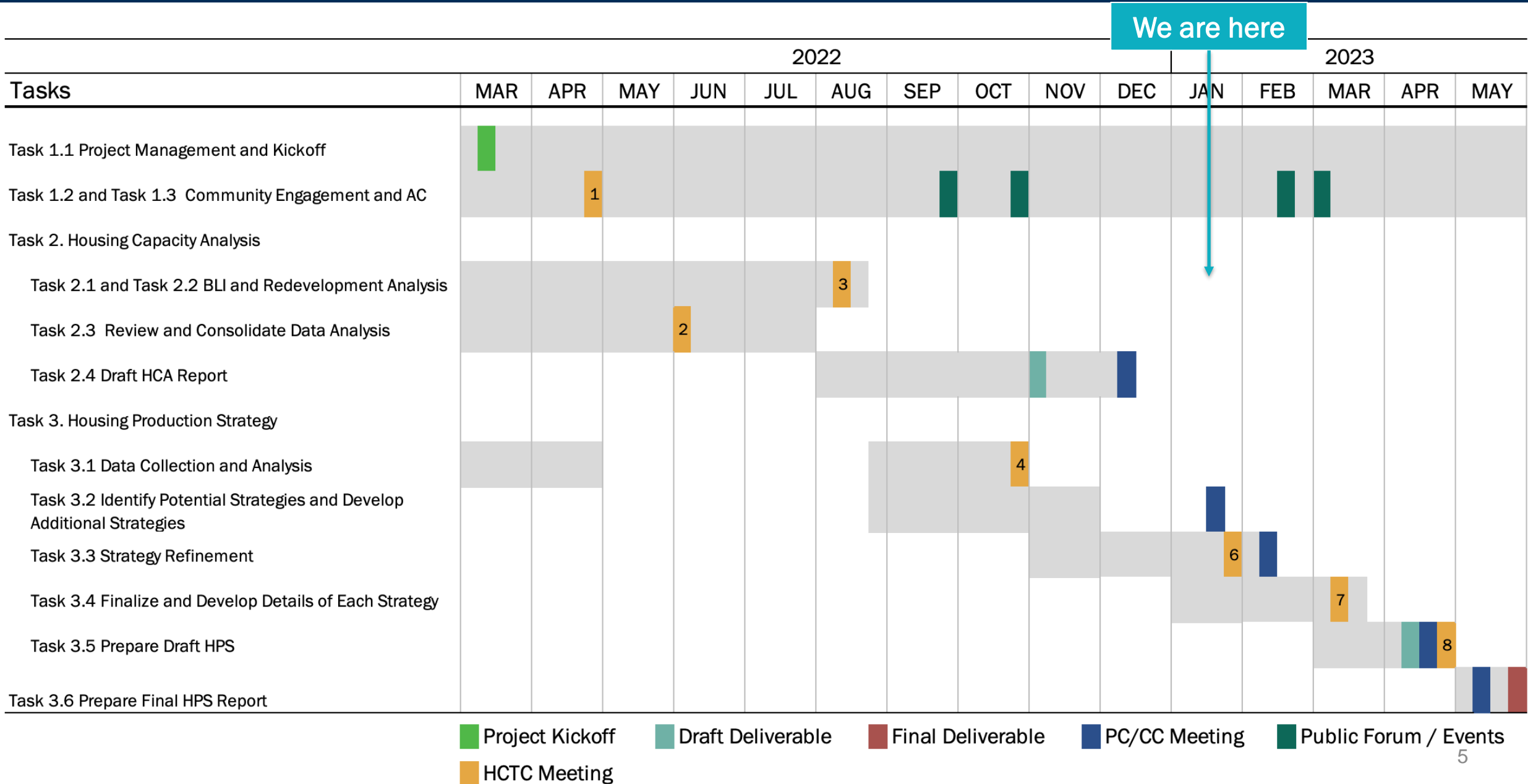
Changes to Zoning Code

Housing Policies / Programs  
– Building on MHAS

Changes made  
after this  
project is  
completed



# Project Schedule and Primary Tasks





# Milwaukie's Unmet Housing Needs

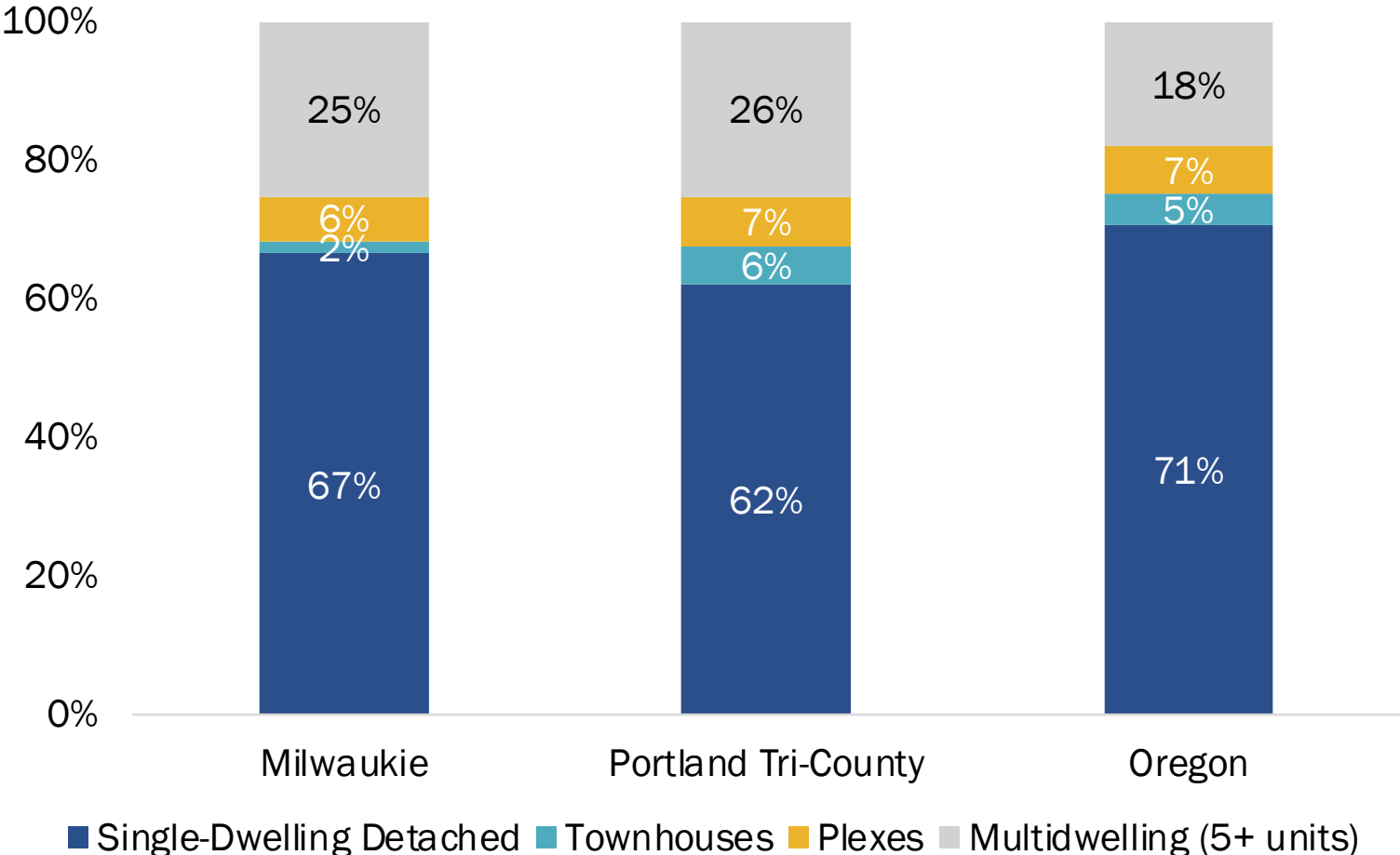
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# Mix of Housing, Milwaukie

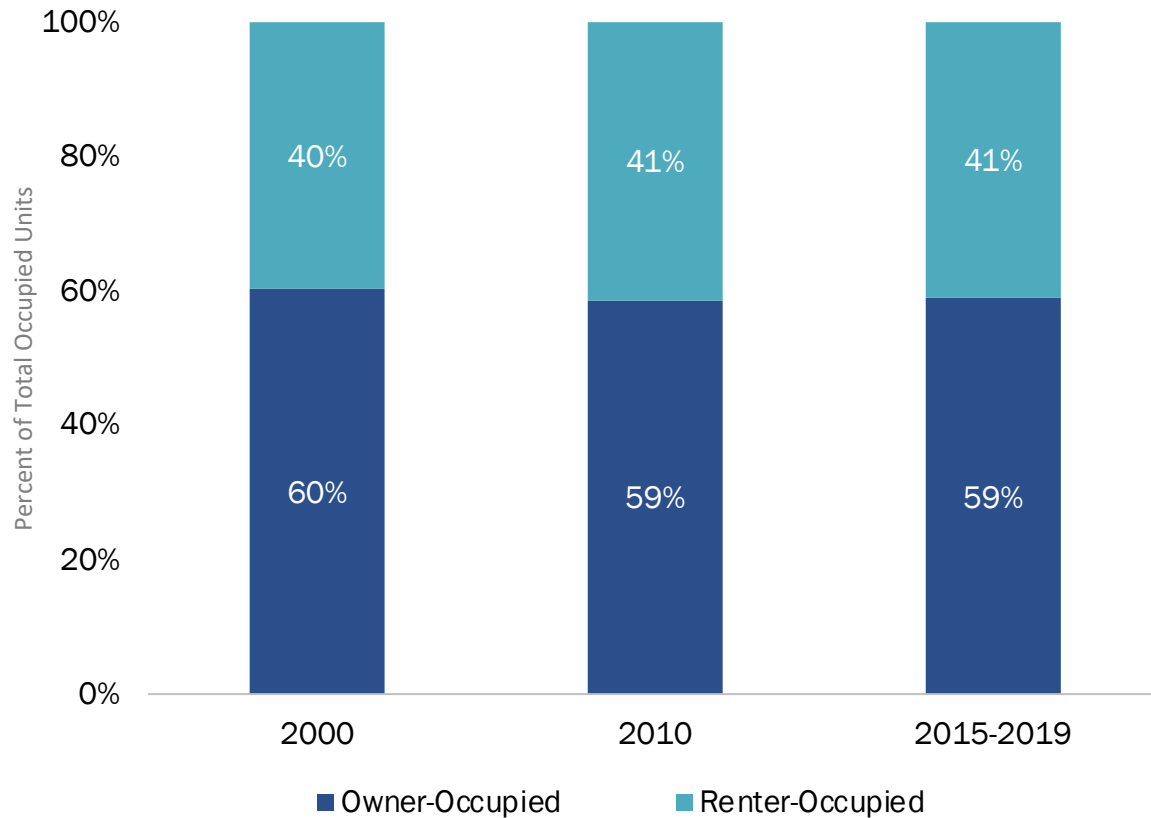
## Housing Mix, Milwaukie, Portland Region, and Oregon, 2015-2019



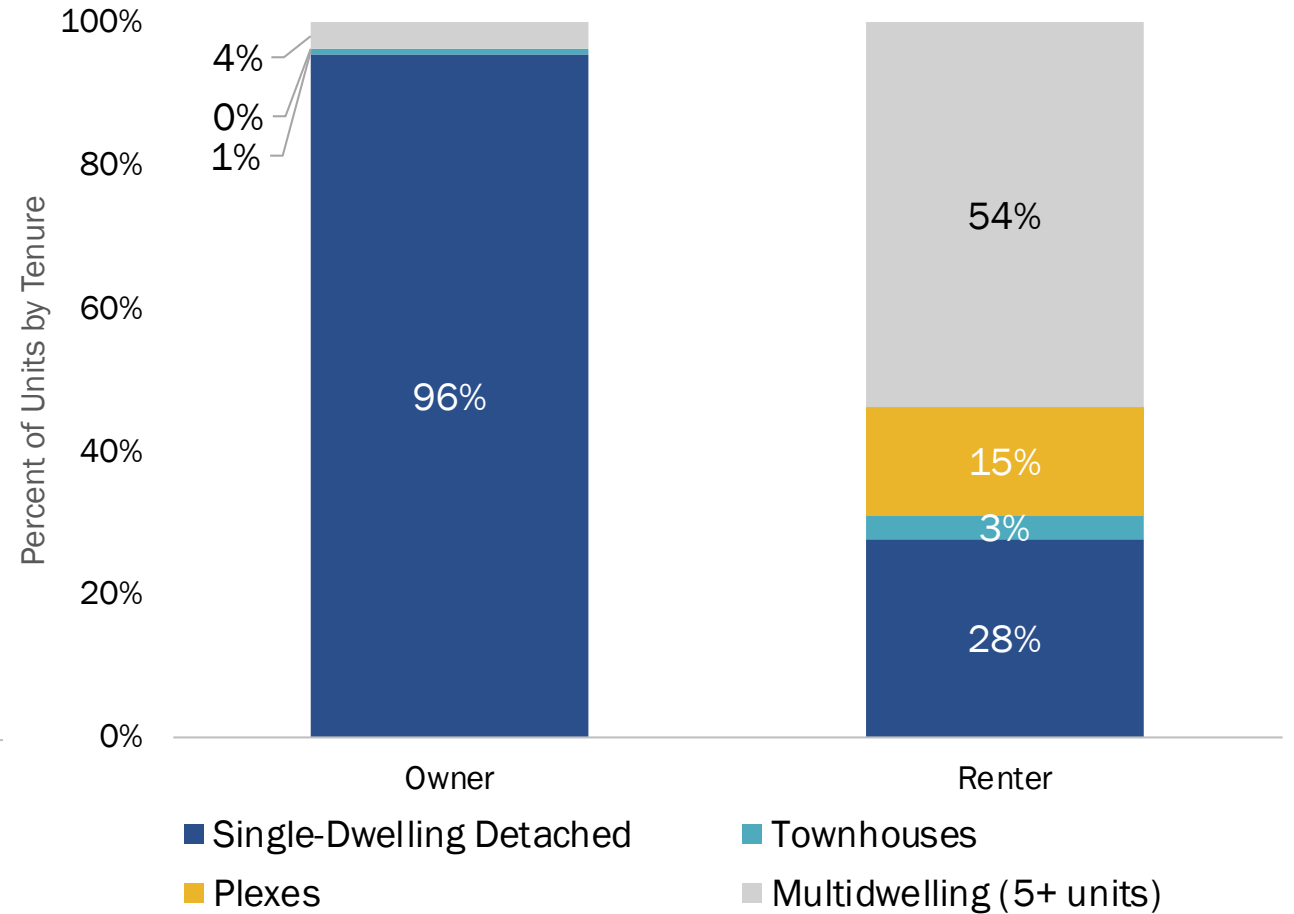
Source: U.S. Census, ACS 2015-2019, B25024

# Housing Tenure in Milwaukee

## Change in Tenure of Occupied Units, Milwaukee, 2000, 2010, and 2015-2019



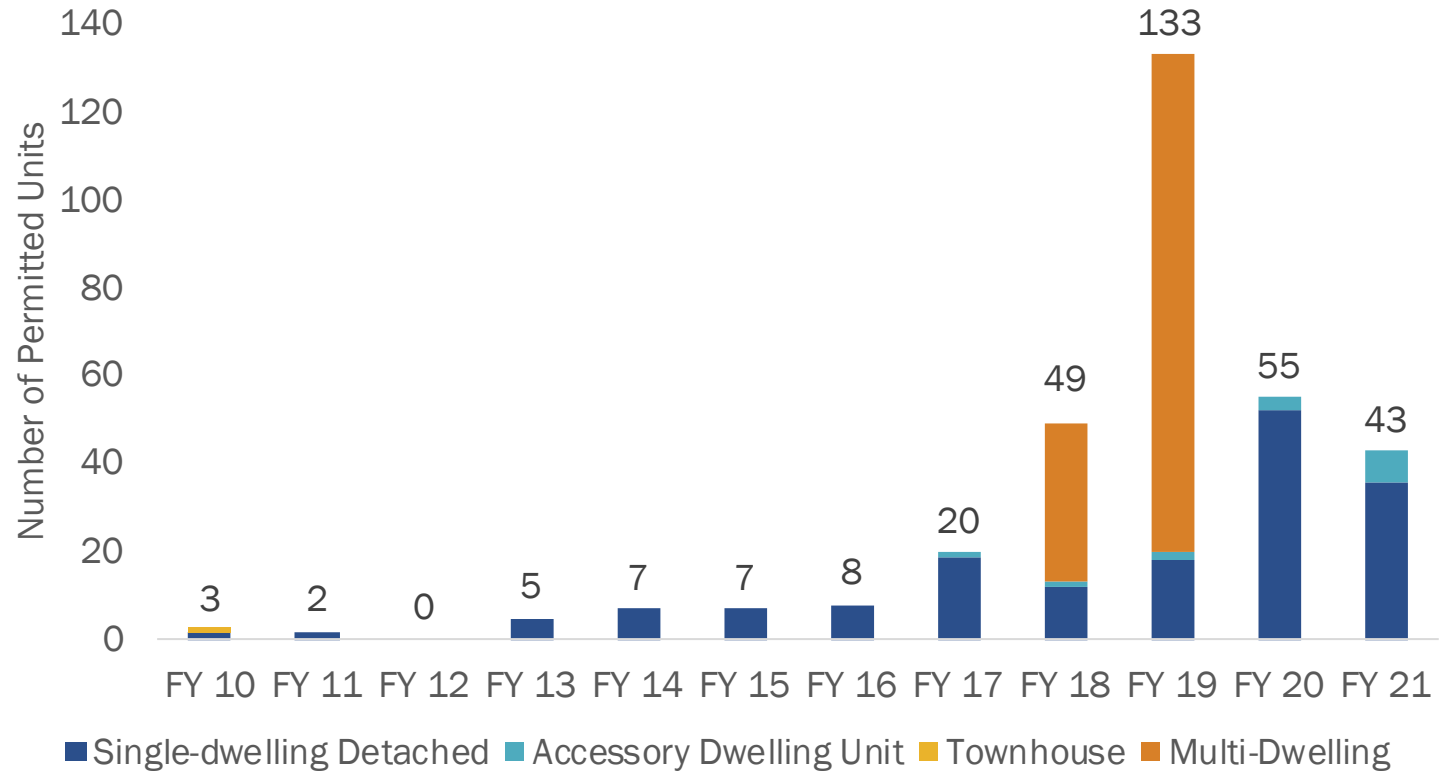
## Housing Units by Type and Tenure, Milwaukee, 2015-2019



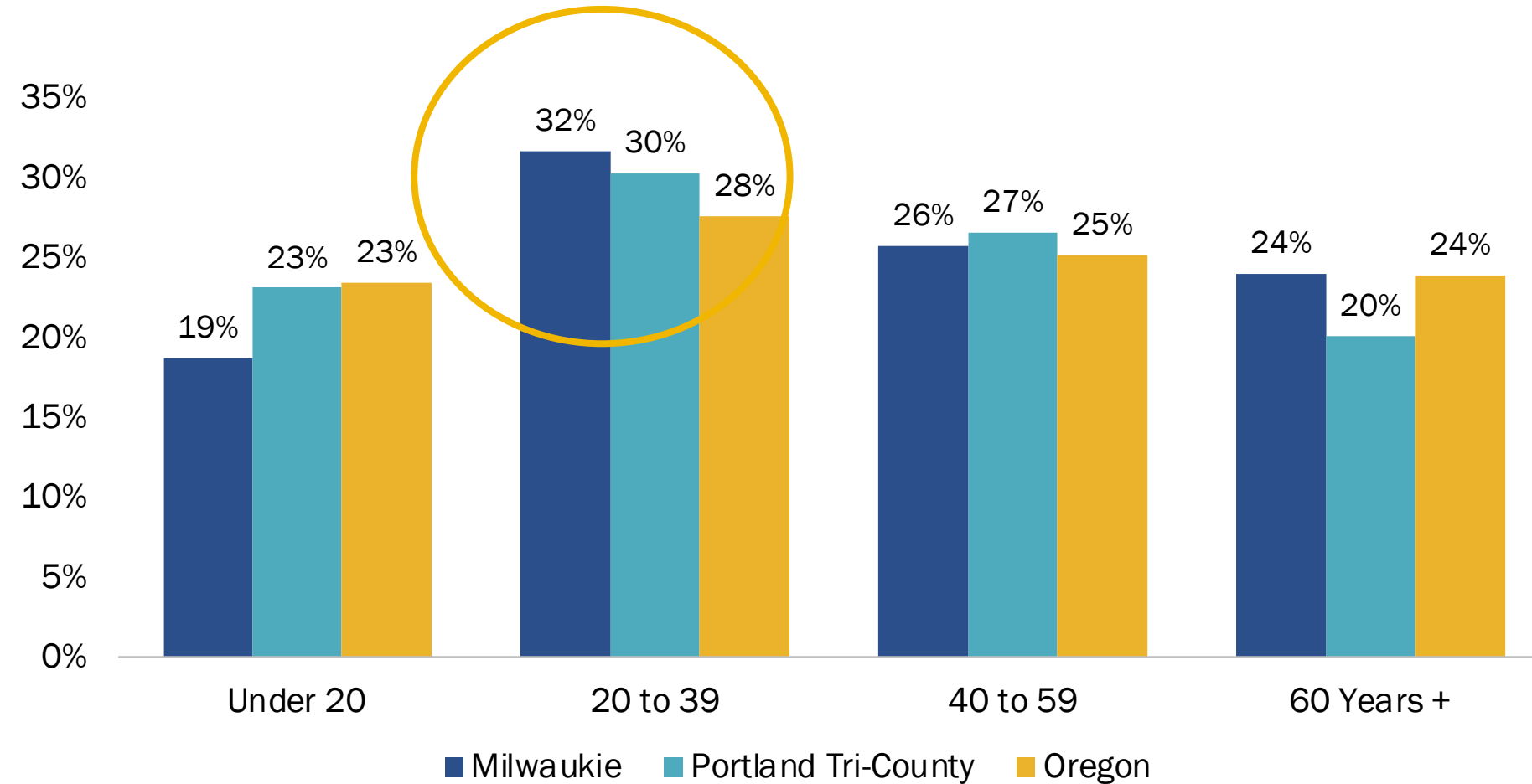


# Building Permits Issued in Milwaukie between FY 2010 to 2021

- Average units permitted per year: 51
- Single-Detached units: 51%  
168 units permitted
- Multi-Dwelling units: 45%  
149 units permitted
- Accessory Dwelling units: 4%  
14 units permitted



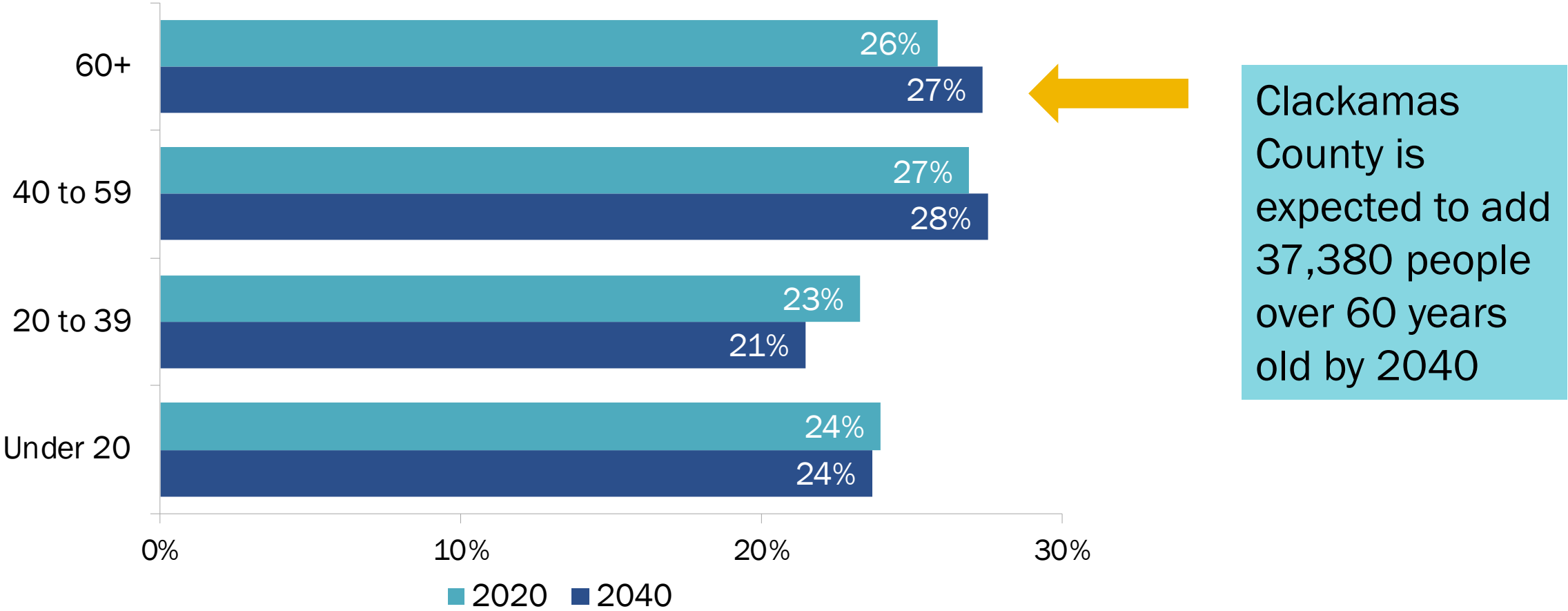
# Growing Working Age Population, Milwaukie



The largest increase in residents were those aged 20-39, with growth of 1,121 people.

People 20 to 39 years account for 32% of Milwaukie's population.

# Population Forecast by Age, Clackamas County

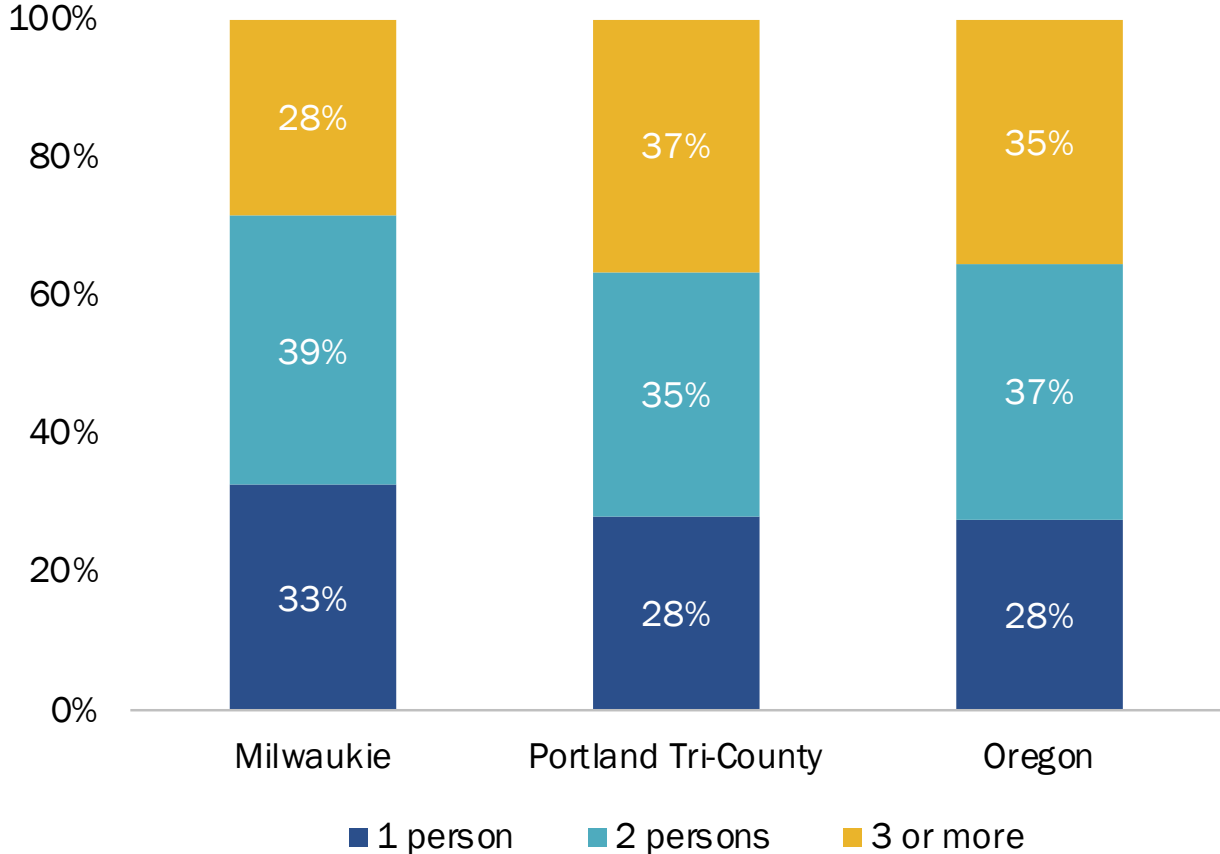


Source: Population Research Center, Portland State University, June 30th, 2021.

# Household Size, 2019

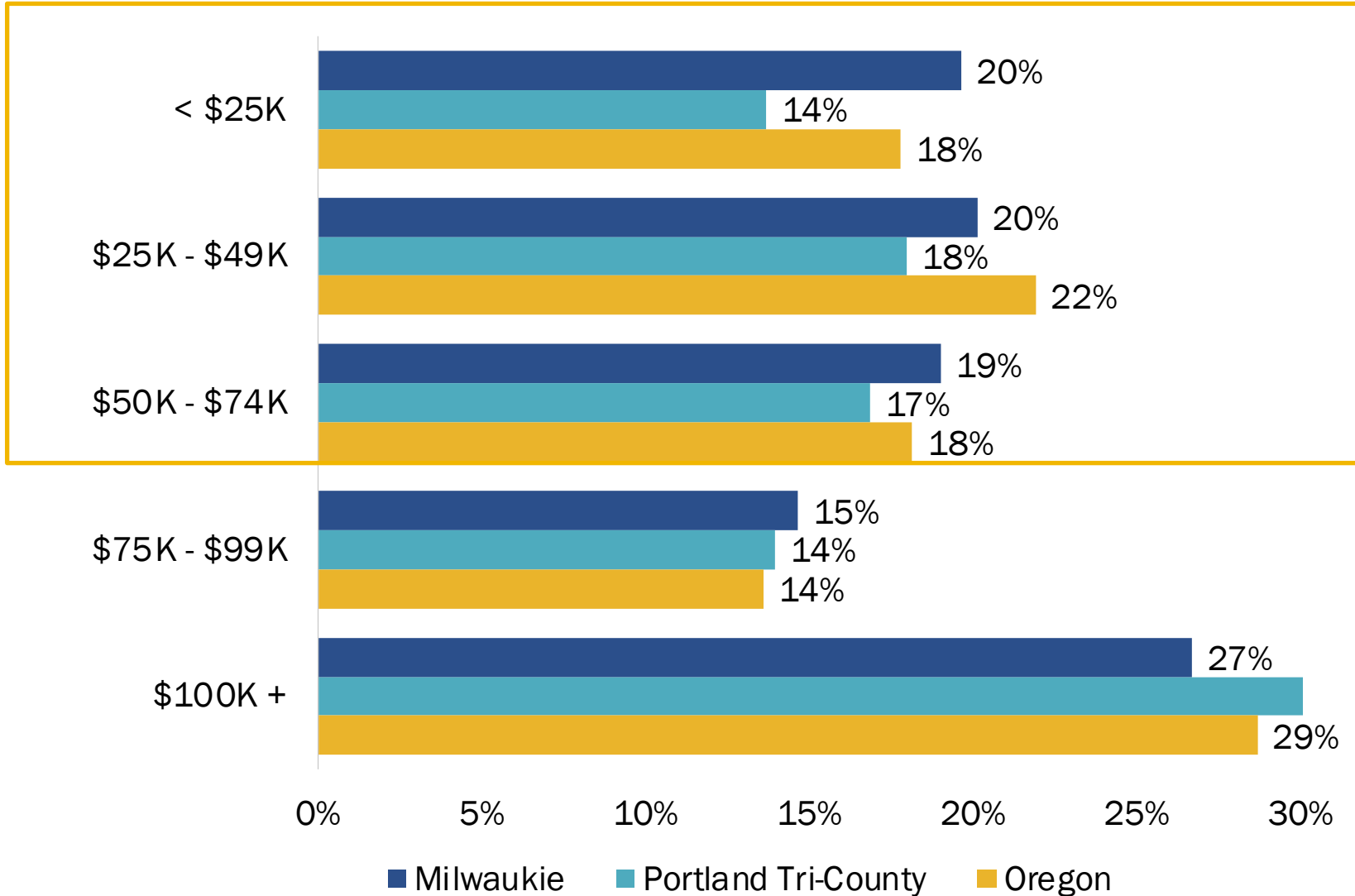
## Household Size, Milwaukie, Portland Region, Oregon, 2015-2019

On average, Milwaukie's households are smaller than Oregon's households, possibly as a result of the larger share of population aged 20-39 years.



Source: U.S. Census, Decennial Census ACS 2015-2019 Table B25010

# Household Income, Milwaukie



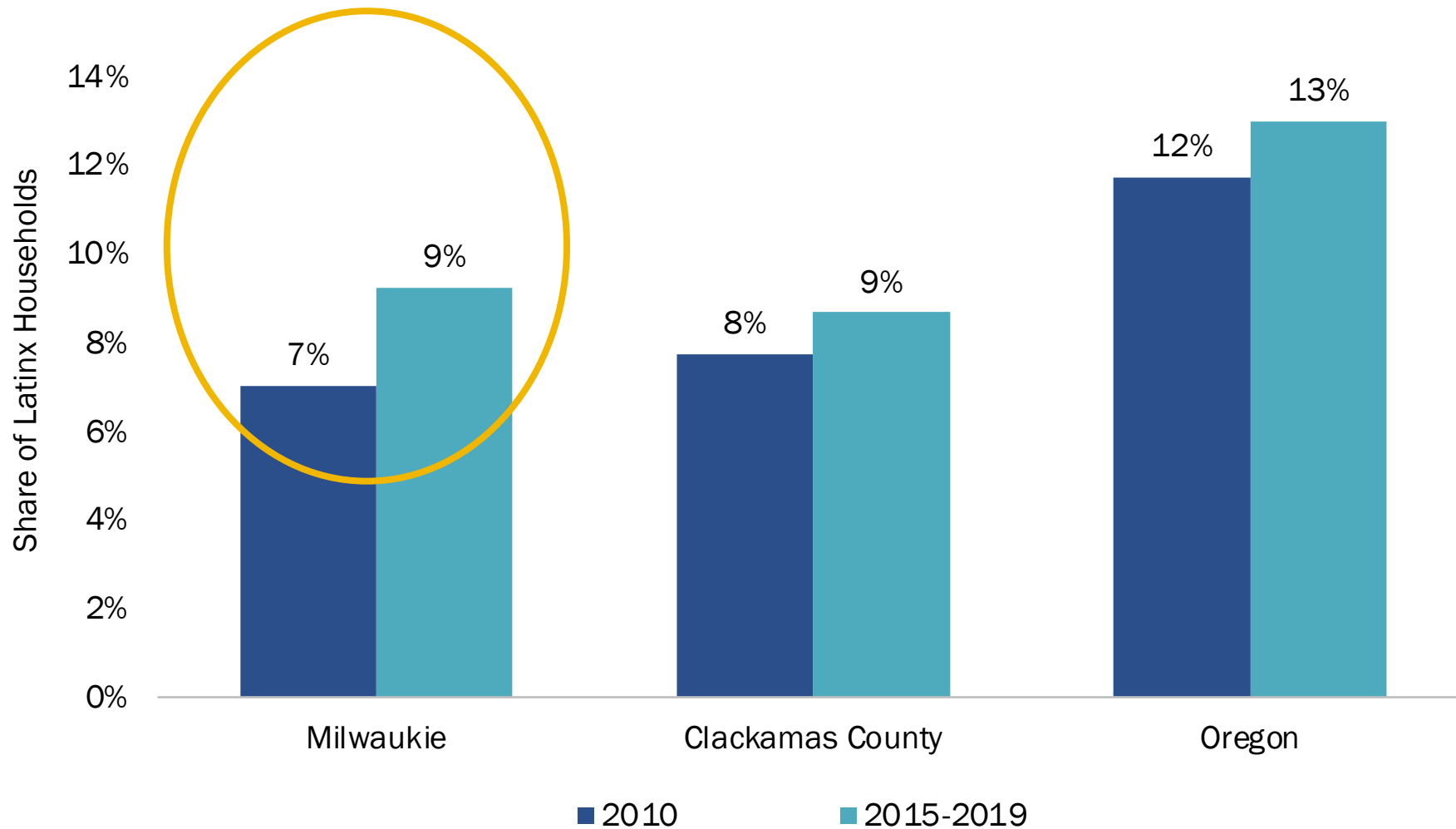
## Median Household Income 2015-2019

Milwaukie - \$61,902

Clackamas County - \$80,484

Oregon - \$62,818

# Share of Latino/a/x Households, 2015-2019



Milwaukie's Latino/a/x population grew by 516 people between 2010 and 2019

# Commuting Flows, 2019

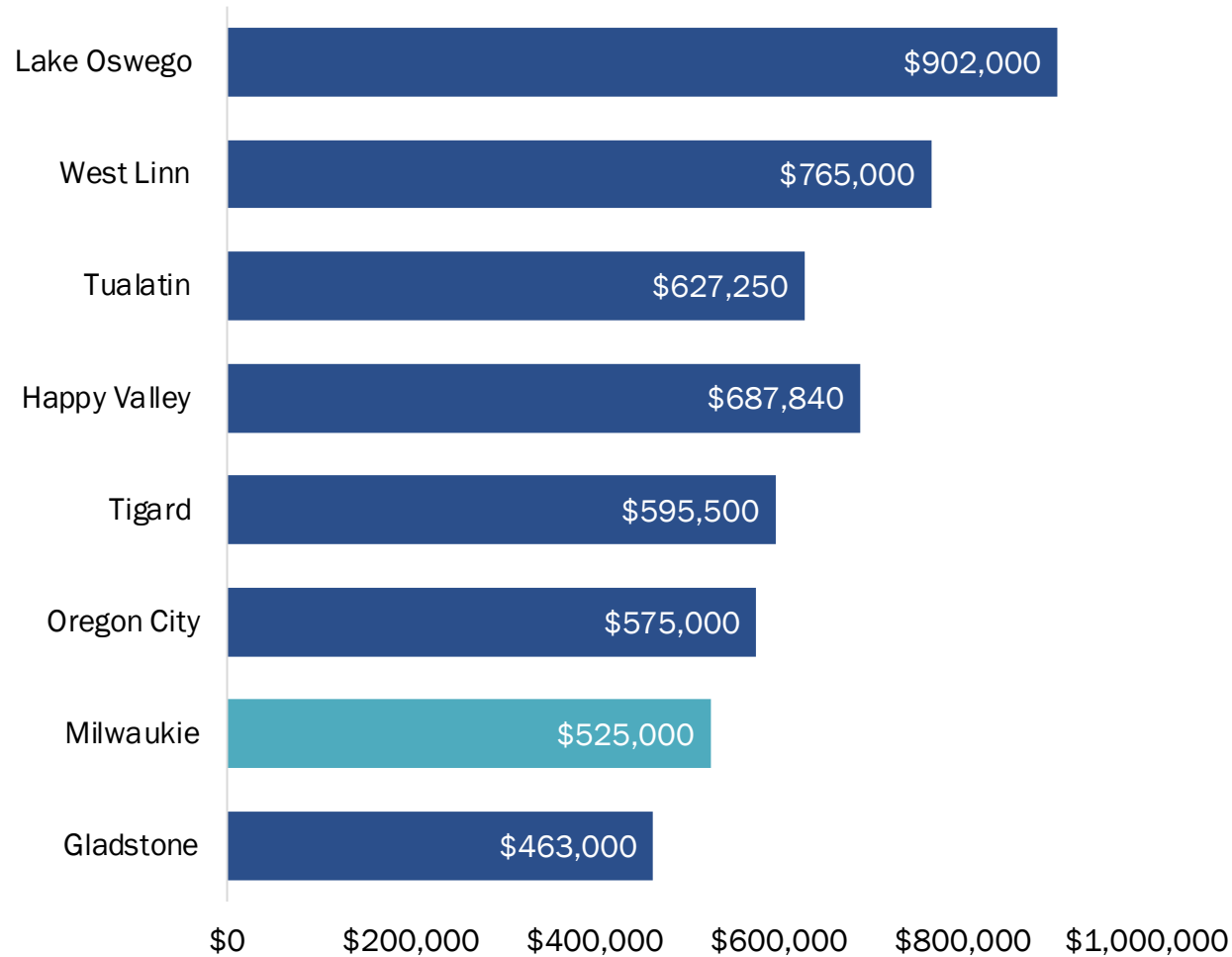


**About 15,198 people work in Milwaukie**

Most of these people (14,446) commute into Milwaukie for work.

Source: US Census Bureau, Census on the Map, 2019.

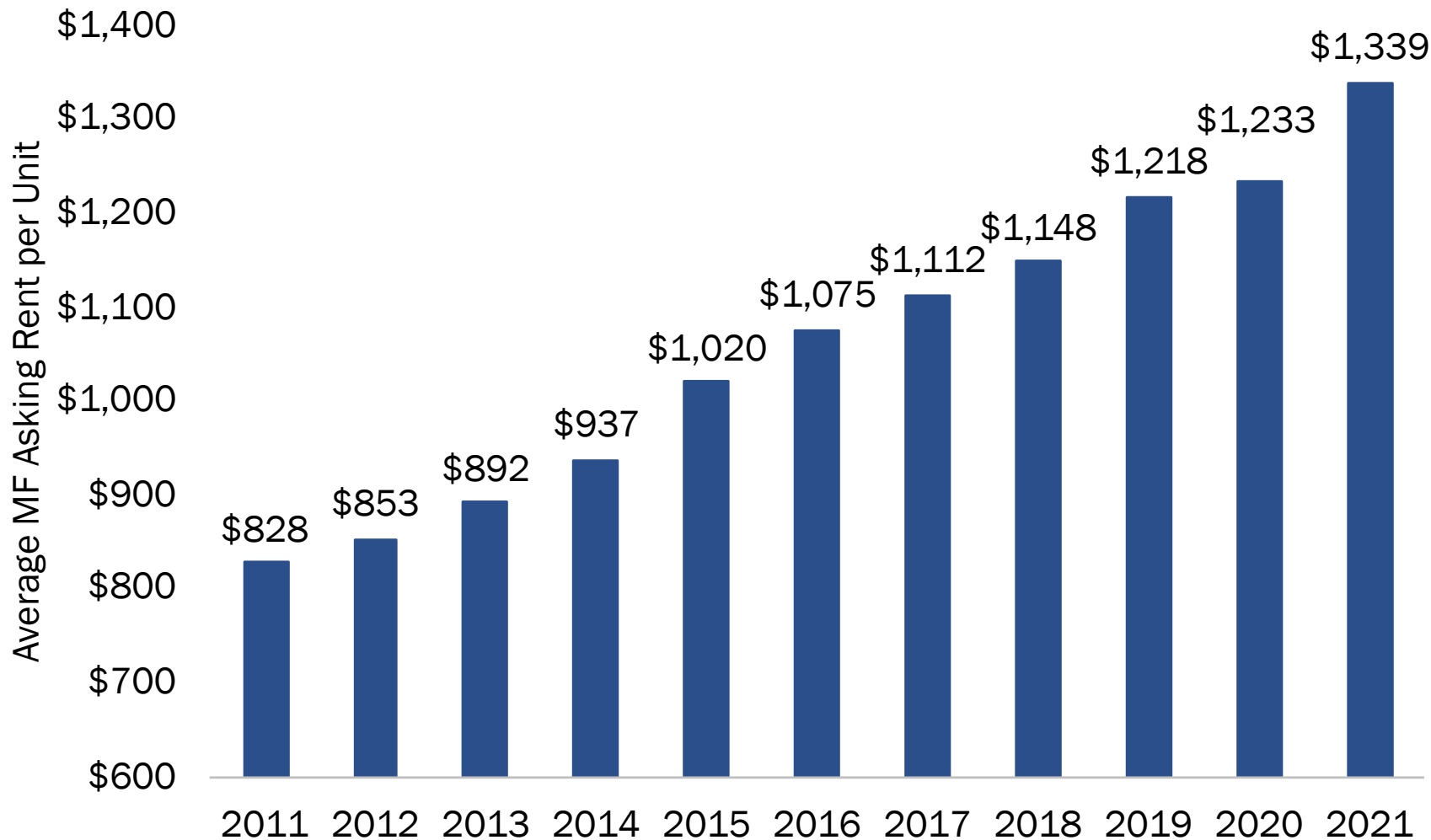
# Median House Sales Price, 2021



Between December of 2012 to December of 2021, the median sales price in Milwaukie increased by \$346,100 (193%) from \$178,900 to \$525,000



# Monthly Asking Rent Costs, Milwaukie



Between 2011 and 2021, Milwaukie's average multidwelling asking rent increased by 31% (\$319) to \$1,339 per month, not including utility costs.

# Financially Attainable Housing, Milwaukie

*If your household earns....*

**\$29,100**

(30% of MFI)

**\$48,500**

(50% of MFI)

**\$77,500**

(80% of MFI)

**\$96,900**

(100% of MFI)

**\$116,300**

(120% of MFI)

*Then you can afford....*

**\$730**

monthly rent

OR

**\$87,000 -  
\$102,000**

home sales price



Cashier  
\$35,000



Construction  
Worker  
\$46,000



Nursing Assistant  
\$39,000



Mid-Career Teacher  
\$64,000



Police Officer  
\$79,000



Lawyer  
\$97,000



Dental Hygienist  
\$99,000



Software  
Developer  
\$122,000

**\$1,210**

monthly rent

OR

**\$146,000 -  
\$170,000**

home sales price

**\$1,940**

monthly rent

OR

**\$271,000 -  
\$310,000**

home sales price

**\$2,420**

monthly rent

OR

**\$339,000 -  
\$388,000**

home sales price

**\$2,910**

monthly rent

OR

**\$407,000 -  
\$465,000**

home sales price

Median Home Sale Price:  
**\$525,000**

(Redfin)

Requires \$135,000 to \$190,000  
income (140%-195% of MFI)

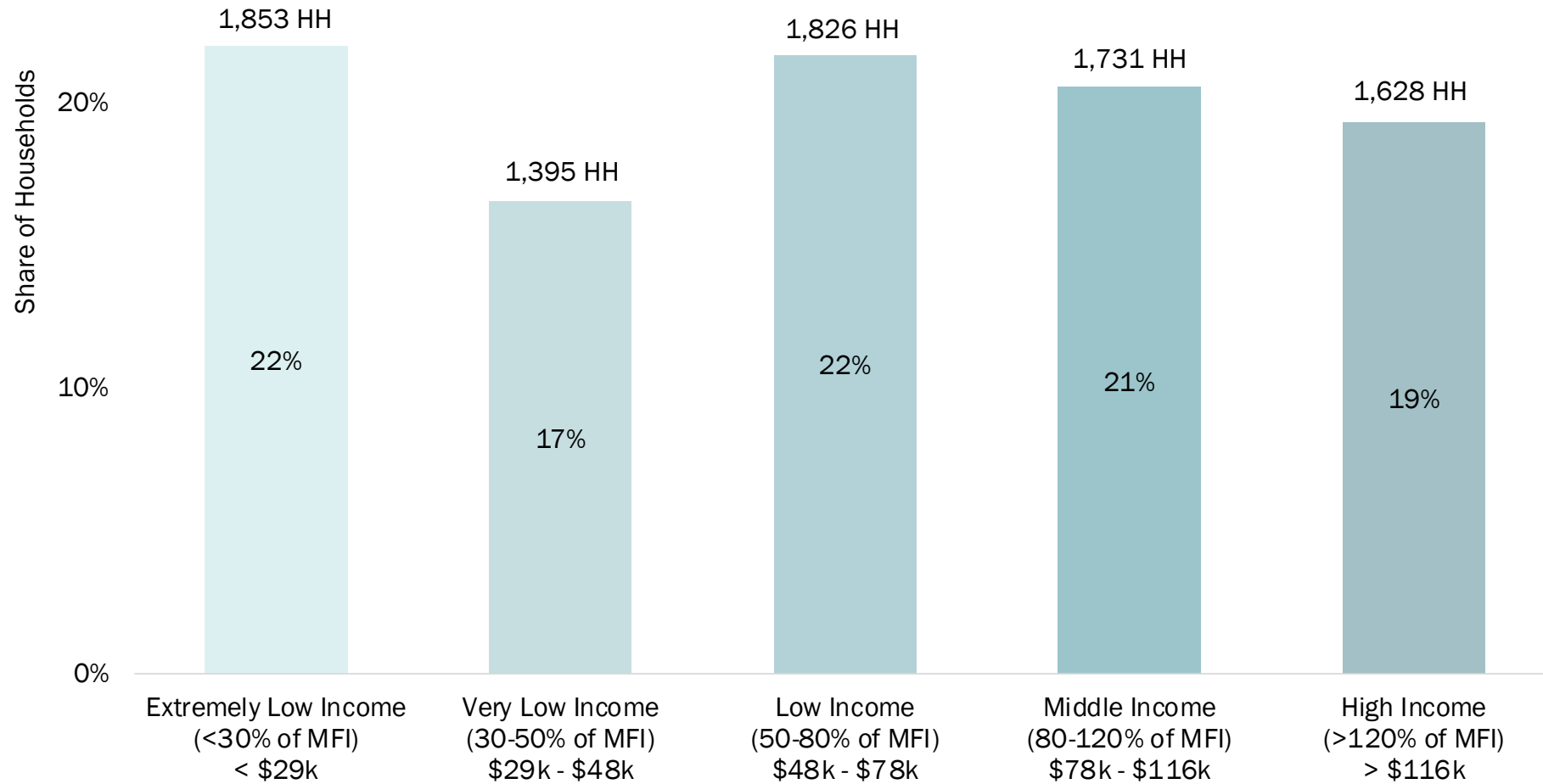
Increasing mortgage loan rates will  
require higher income levels

Average Monthly Rent:

**\$1,339** (not including utilities, 2-bedroom  
units, (CoStar))

Assuming \$250 per month in  
utilities (total of about \$1,590 in  
monthly cost), average rental  
housing costs requires \$63,000  
income (65% of MFI) to afford)

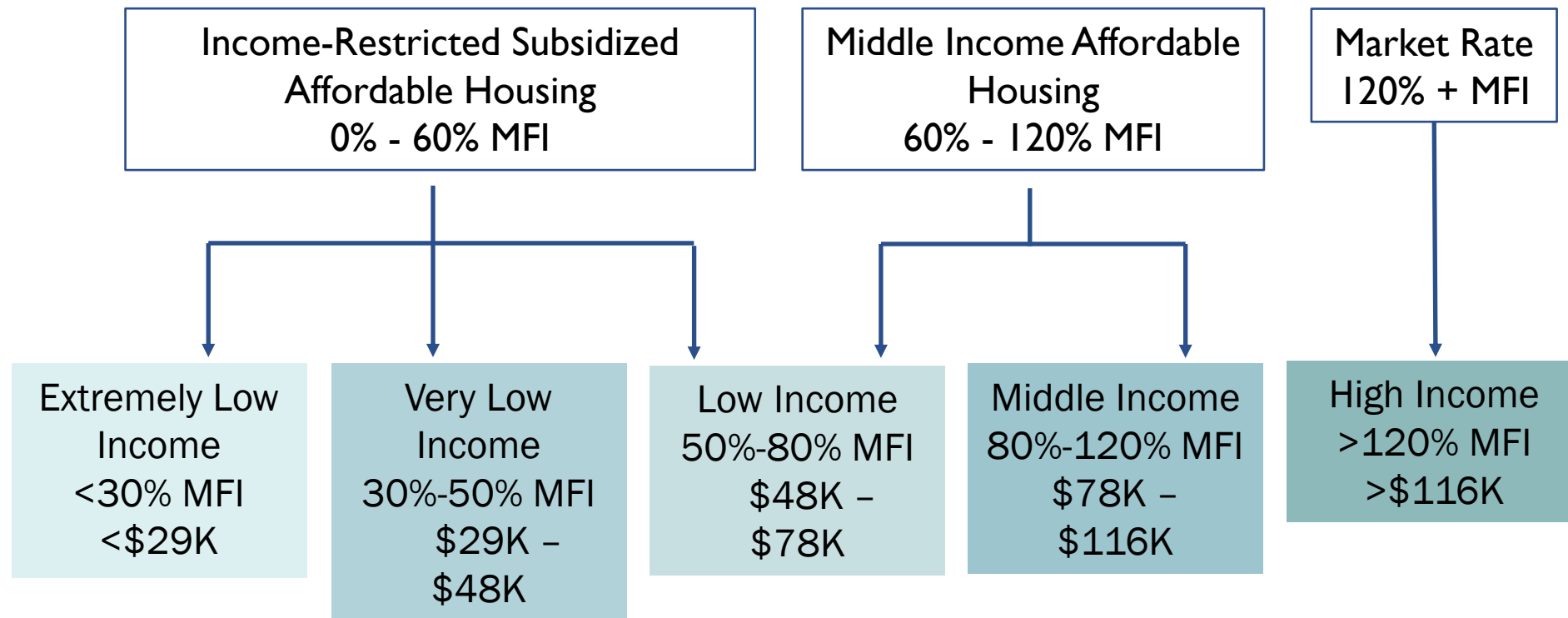
# Existing Households by Income Level, Milwaukie



This chart is based on the HUD MFI for Clackamas County and the ACS household income distribution for Milwaukie.

# Housing Affordability by Income Levels

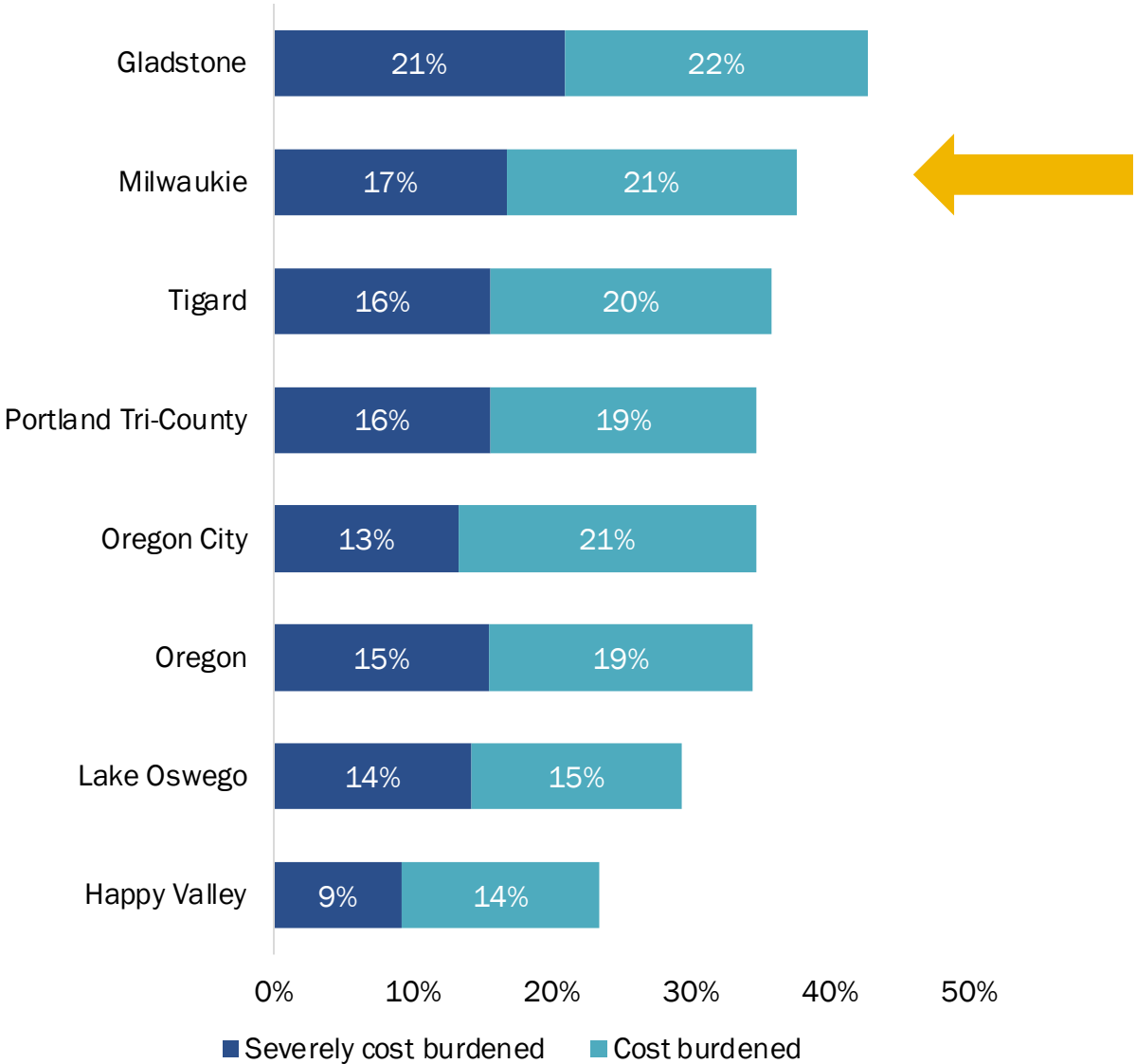
The housing market cannot produce income-restricted, subsidized affordable housing and often does not produce middle income affordable housing without subsidy.



# Cost Burden, 2015-2019

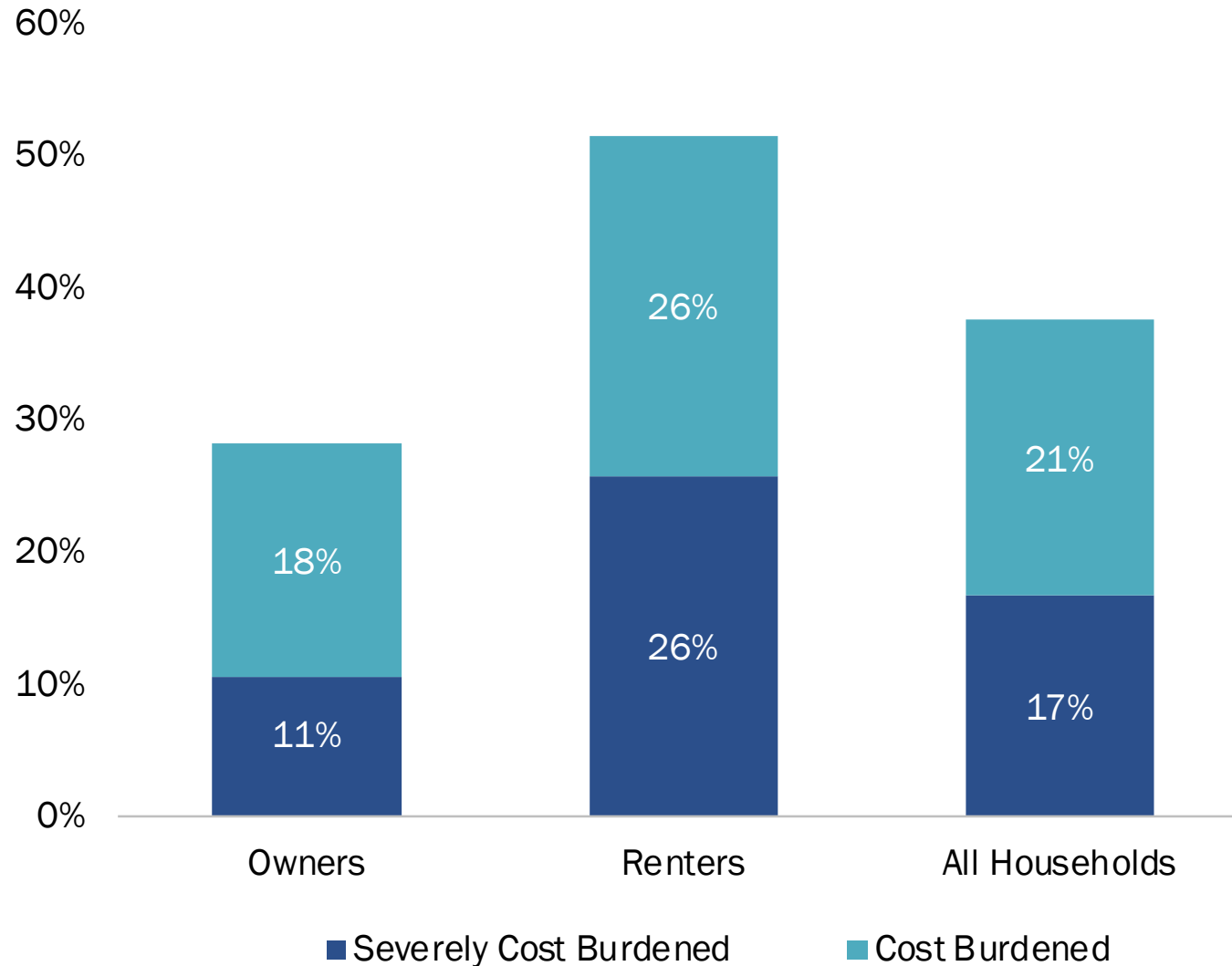
Cost burdened: spending more than 30% of income on housing costs

Severely cost burdened: spending more than 50% of income on housing costs



Source: U.S. Census, American Community Survey 2016-2020, Tables B25091 and B25070

# Cost Burden by Tenure, Milwaukee

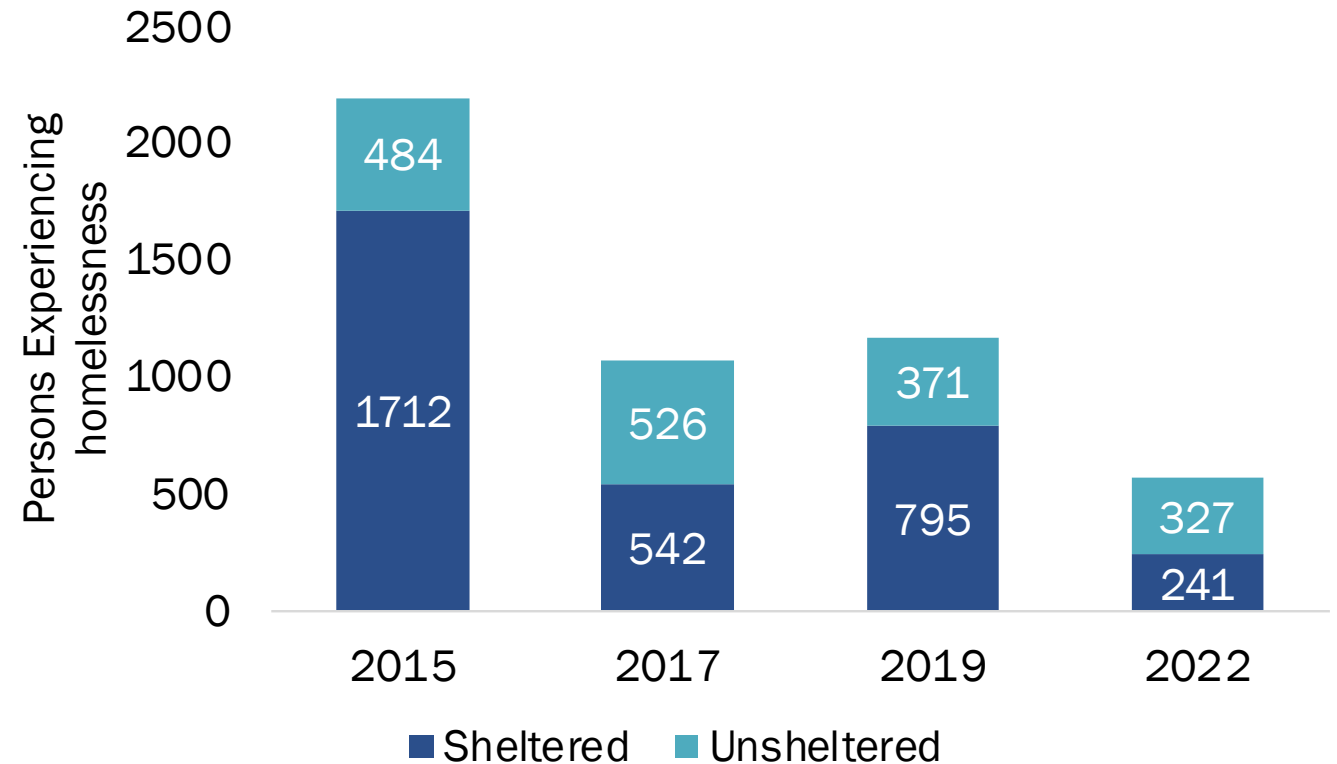


About 52% of Milwaukee's renters were cost burdened or severely cost burdened, compared to 29% of homeowners.

# Housing Needs Often Differ by Group

- People experiencing homelessness:
  - Temporarily or chronically
  - Alone or with children
- Racial or ethnic groups
- People over 65 years old
- People with disabilities

Point-in-Time Homelessness Estimates, Clackamas County, 2015-2022



Source: Oregon Housing and Community Services.

# Housing Need for People Experiencing Houselessness

- Little data exists about the income of people experiencing houselessness
- Statewide income\* for people experiencing houselessness is:
  - 89% have income below 30% of MFI
  - 8% have income of 30% to 50% of MFI
  - 3% have income of 50% to 80% of MFI
- People experiencing houselessness are unable to afford market-rate housing
- Unique housing need that varies by reason for houselessness
  - Emergency assistance, including rent support
  - Permanent supportive housing, with services
  - Access to an affordable unit

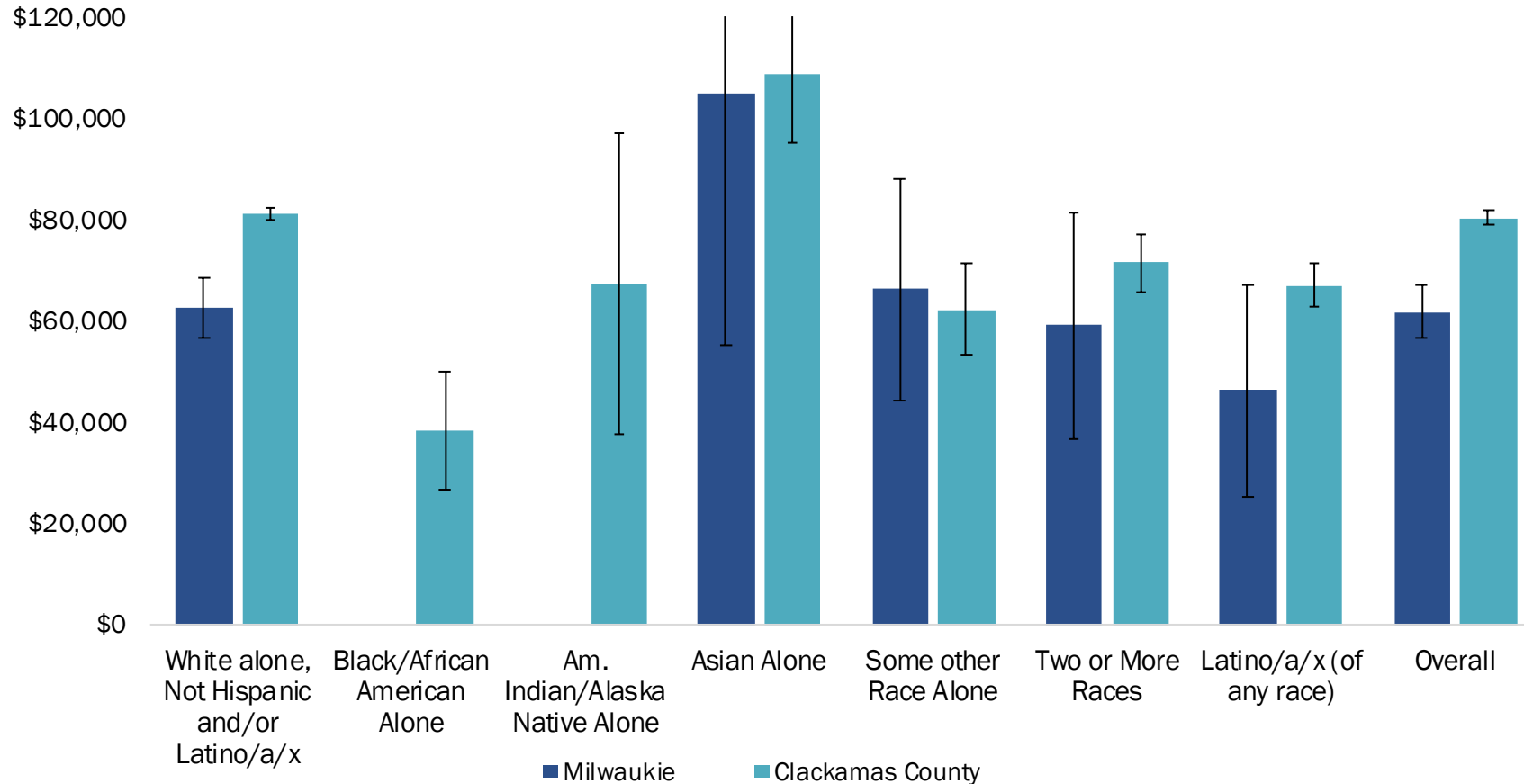
\* Source: OHCS data from EHA/SHAP

From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020



# Ability to Pay for Housing by Race and Ethnicity

## Median Household Income by Selected Race and Ethnicity, 2015-2019



The largest racial and ethnic groups in Milwaukie are:

**White alone:** 17,449 people, 83% of population

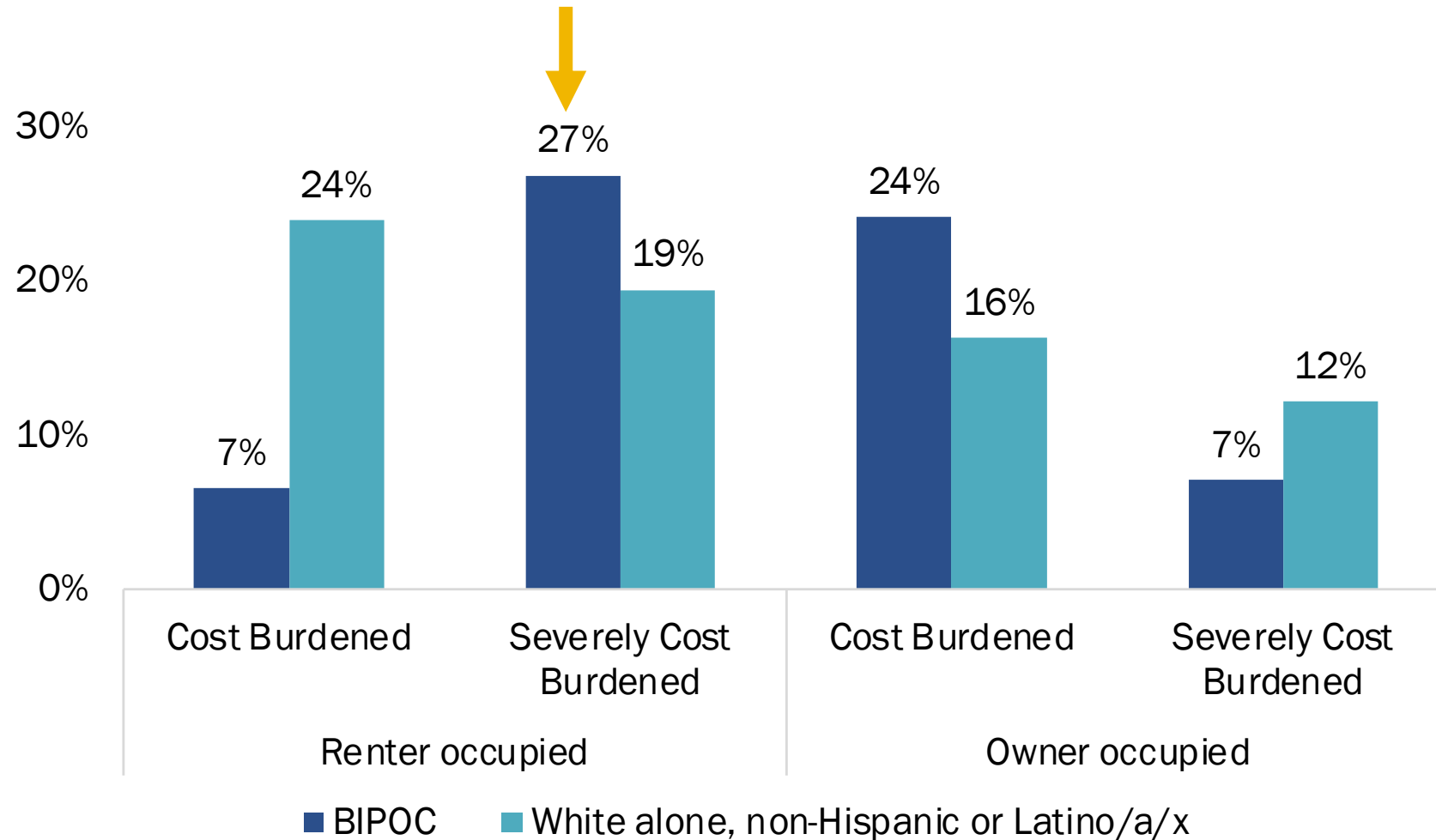
**Latino/a/x:** 1,942 people, 9% of population

Source: U.S. Census, American Community Survey 2015-2019

Note: Other races not included due to lack of data and / or high margins of error

# Cost Burden by Race and Ethnicity, Milwaukee

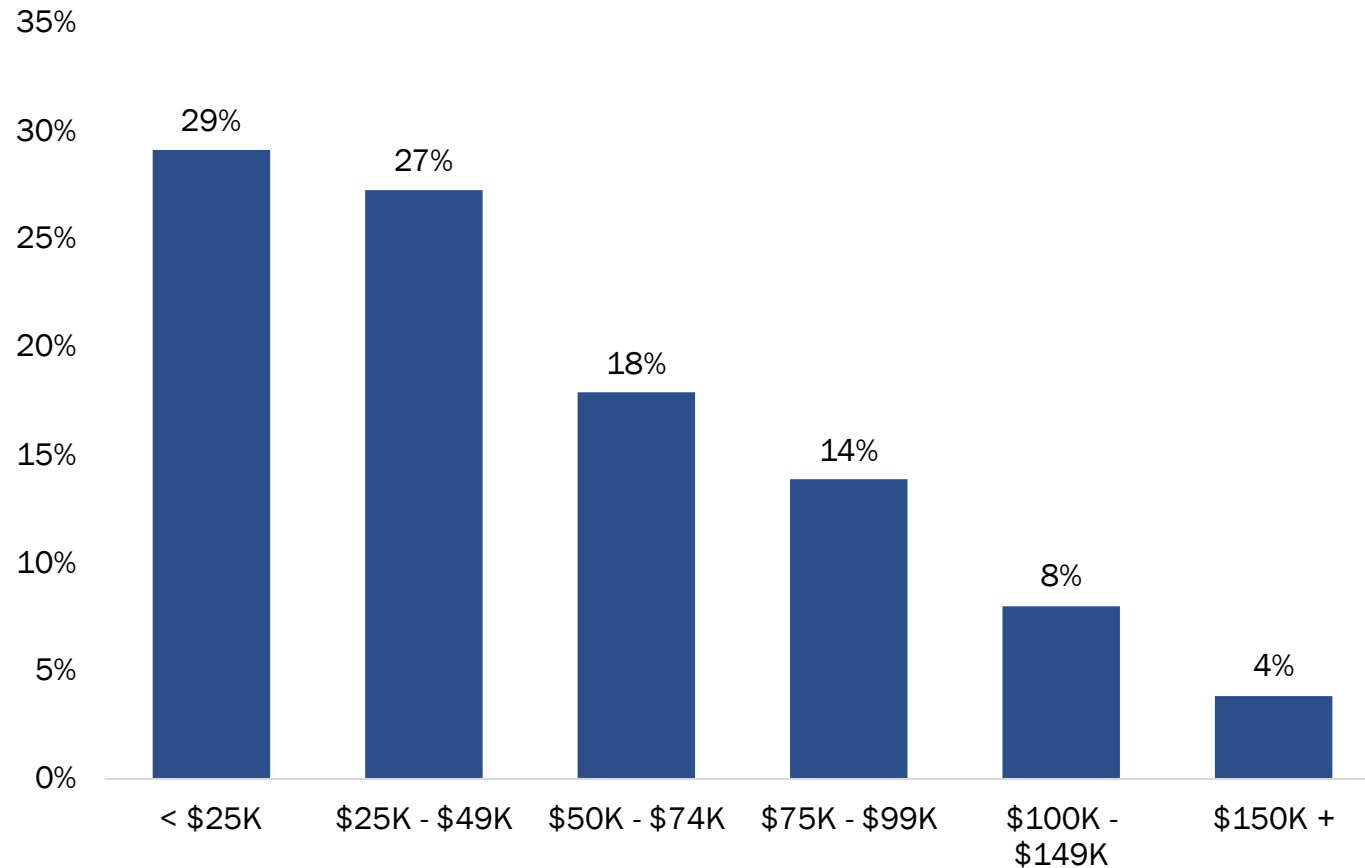
## Cost Burdened Households by Tenure and Race and Ethnicity, 2014-2018



Source: CHAS 2014-2018, Table 9  
Note: BIPOC includes Latino/a/x

# People Aged 65 Years and Older: Ability to Pay for Housing

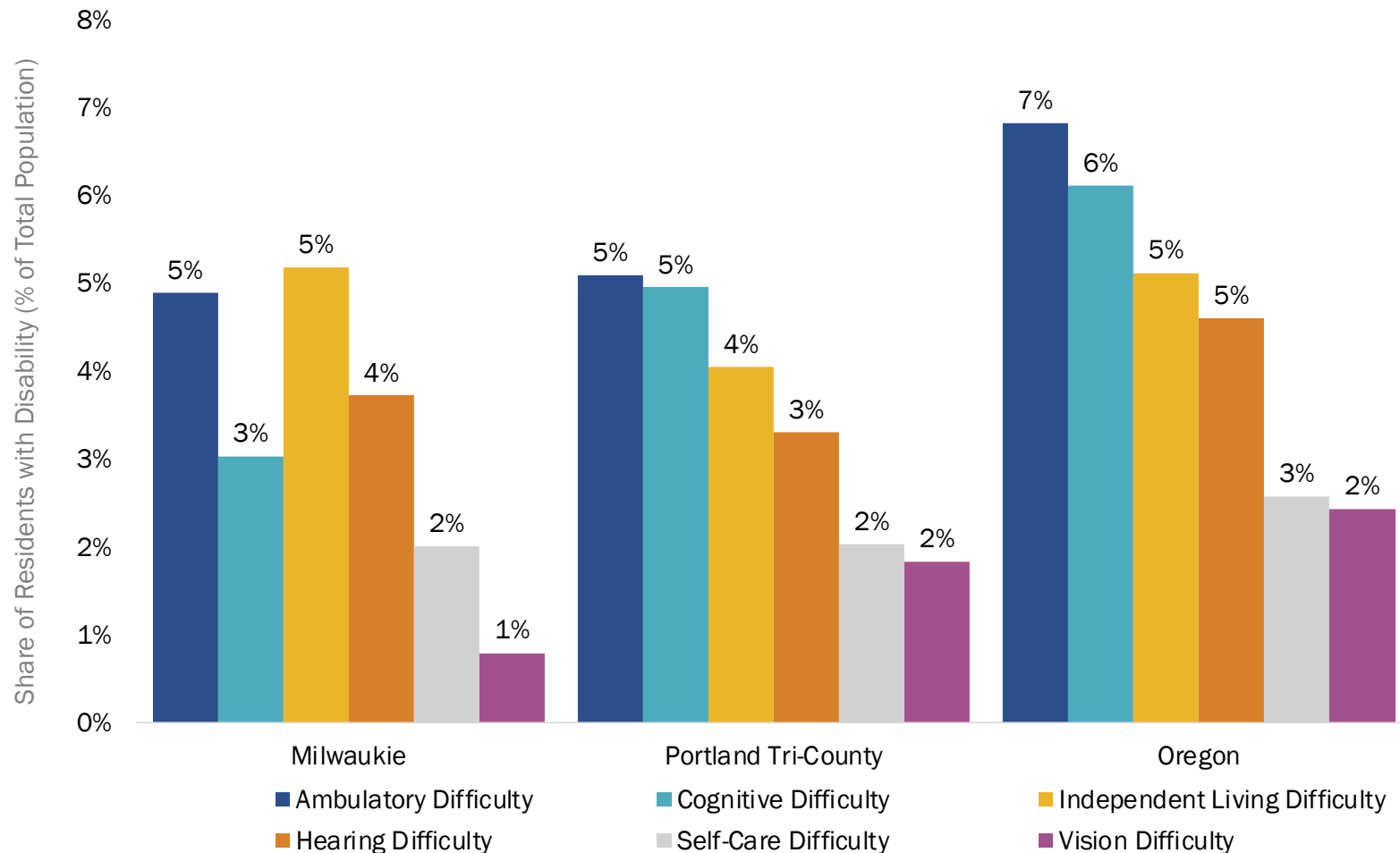
## Household Income by Age of Householder (Aged 65 Years and Older), Milwaukie, 2015-2019



In Milwaukie, median household income for people over 65 years is 81% of the overall average.

# Persons with a Disability

## Share of Persons with a Disability by Type (% of Total Population), 2015-2019



Nearly 17% of Milwaukie's population has one or more disabilities.

Source: 2015-2019 American Community Survey, U.S. Census, Table K201803



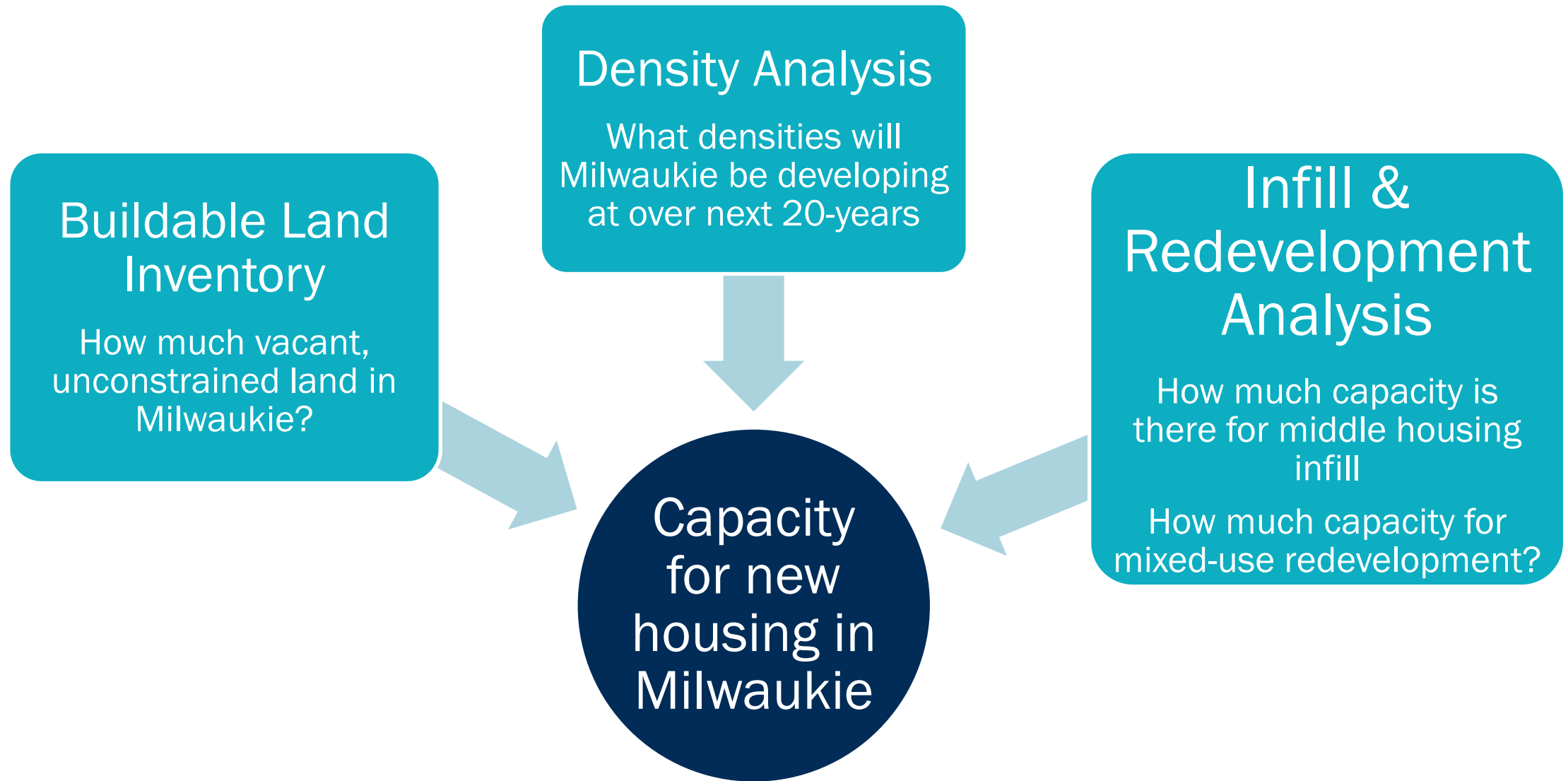
# Buildable Lands Inventory Update

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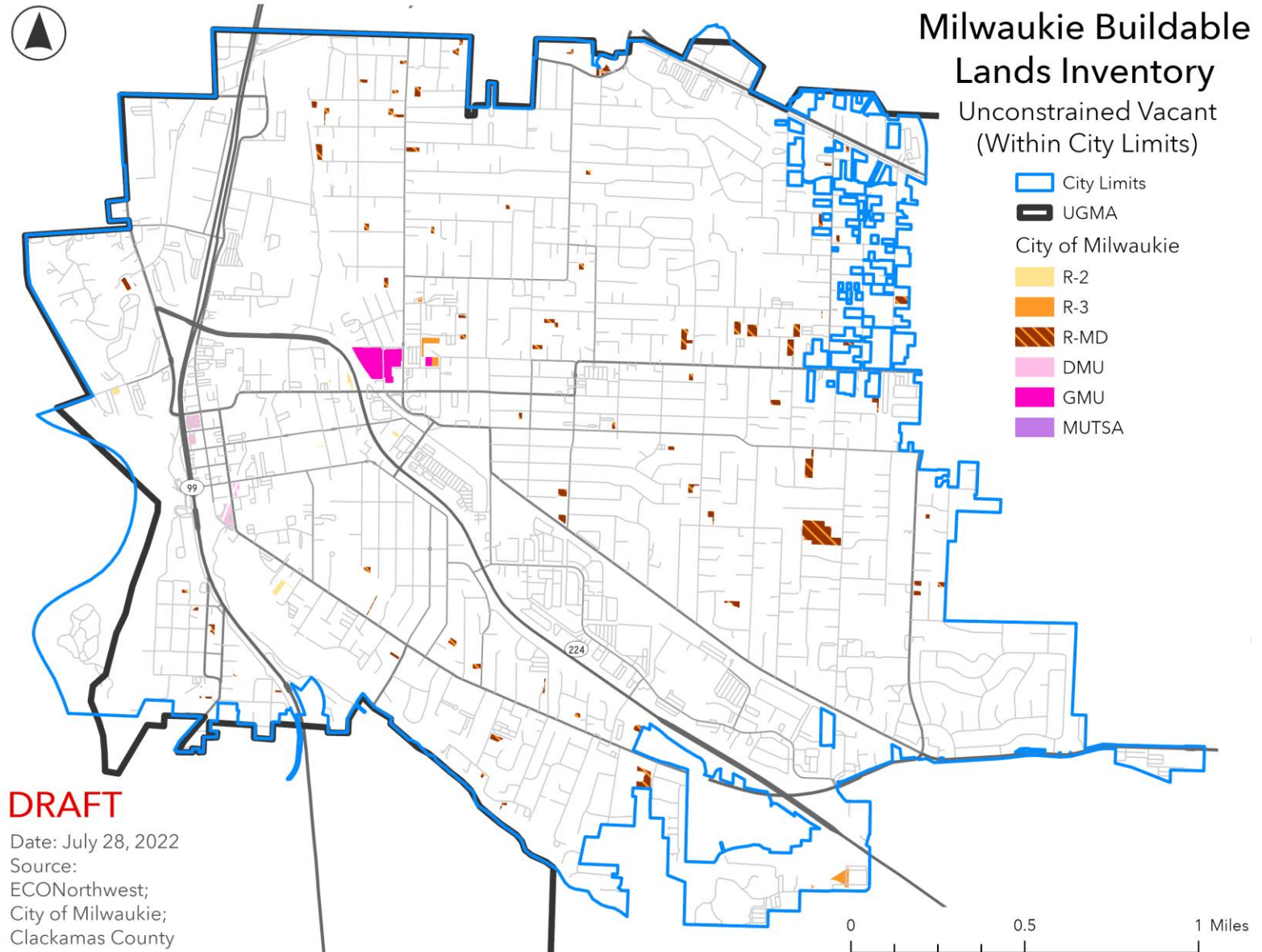
# How much housing can reasonably be developed in Milwaukee by 2043?



# Vacant Land within the City Limits

## Plan Designations with Vacant Land

- Moderate Density: 30 acres
- High Density: 12 acres
- Commercial Mixed Use: 10 acres





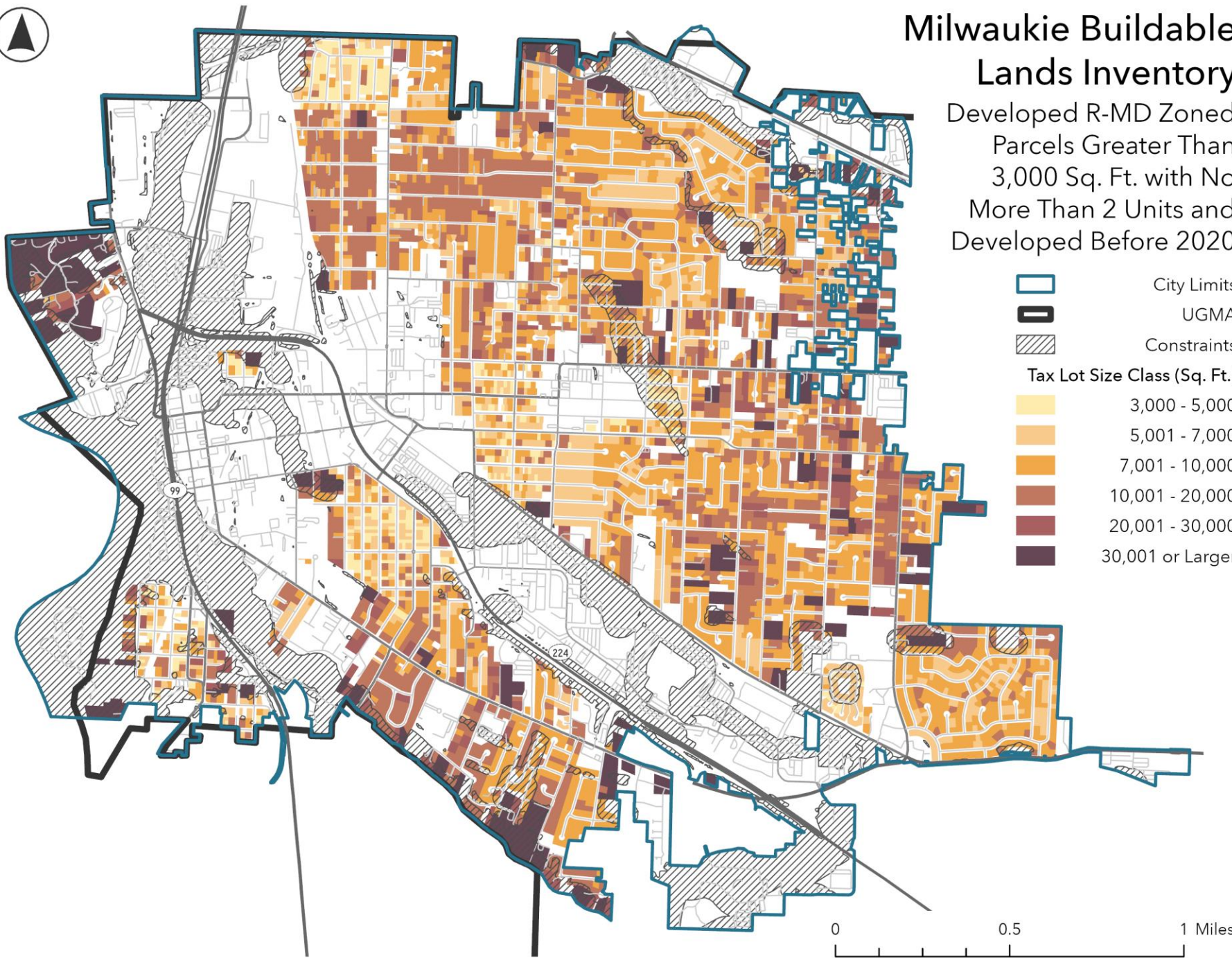
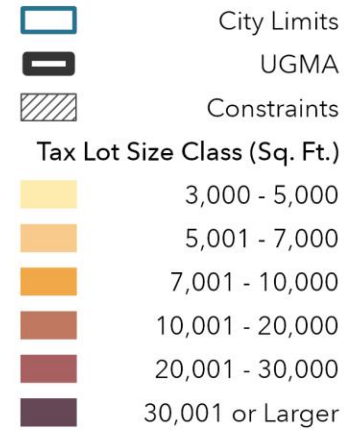
# Part 1: Middle Housing Infill and Redevelopment Potential





# Milwaukie Buildable Lands Inventory

Developed R-MD Zoned  
Parcels Greater Than  
3,000 Sq. Ft. with No  
More Than 2 Units and  
Developed Before 2020

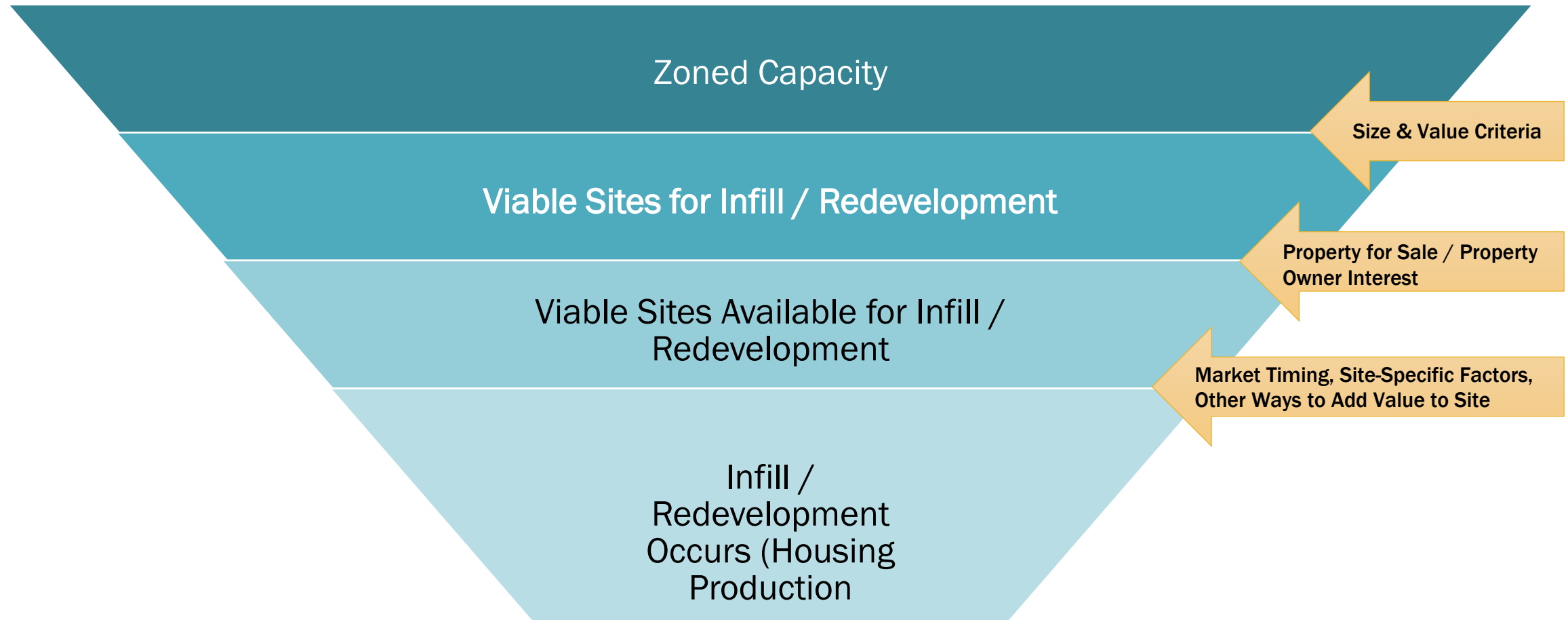


# Parcels included in middle housing analysis

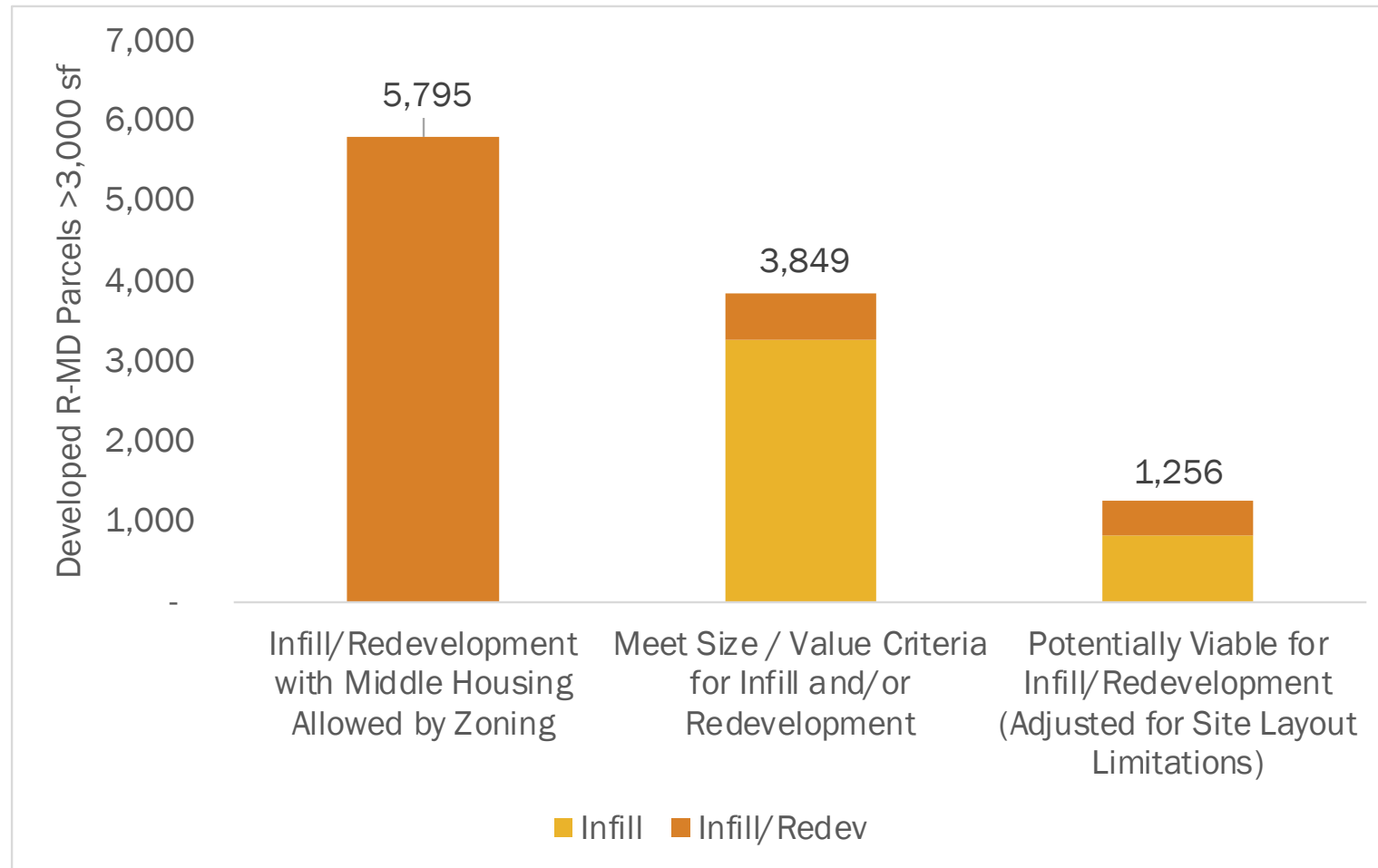
- R-MD zone
- Developed parcels
- >3,000 sq ft
- Same constraints deducted as for vacant land

# Infill / Redevelopment Potential vs. Production

## Not all potentially viable sites will be further developed



# Potential: % of Parcels that Meet Infill / Redevelopment Criteria



*Note: Does not account for all site-specific factors, including property condition, need for infrastructure improvements, localized market factors, and property owner preferences*

# Key Redevelopment Analysis Take-Away

- Middle housing production over 20 years could be between about **600** and **1,600** units



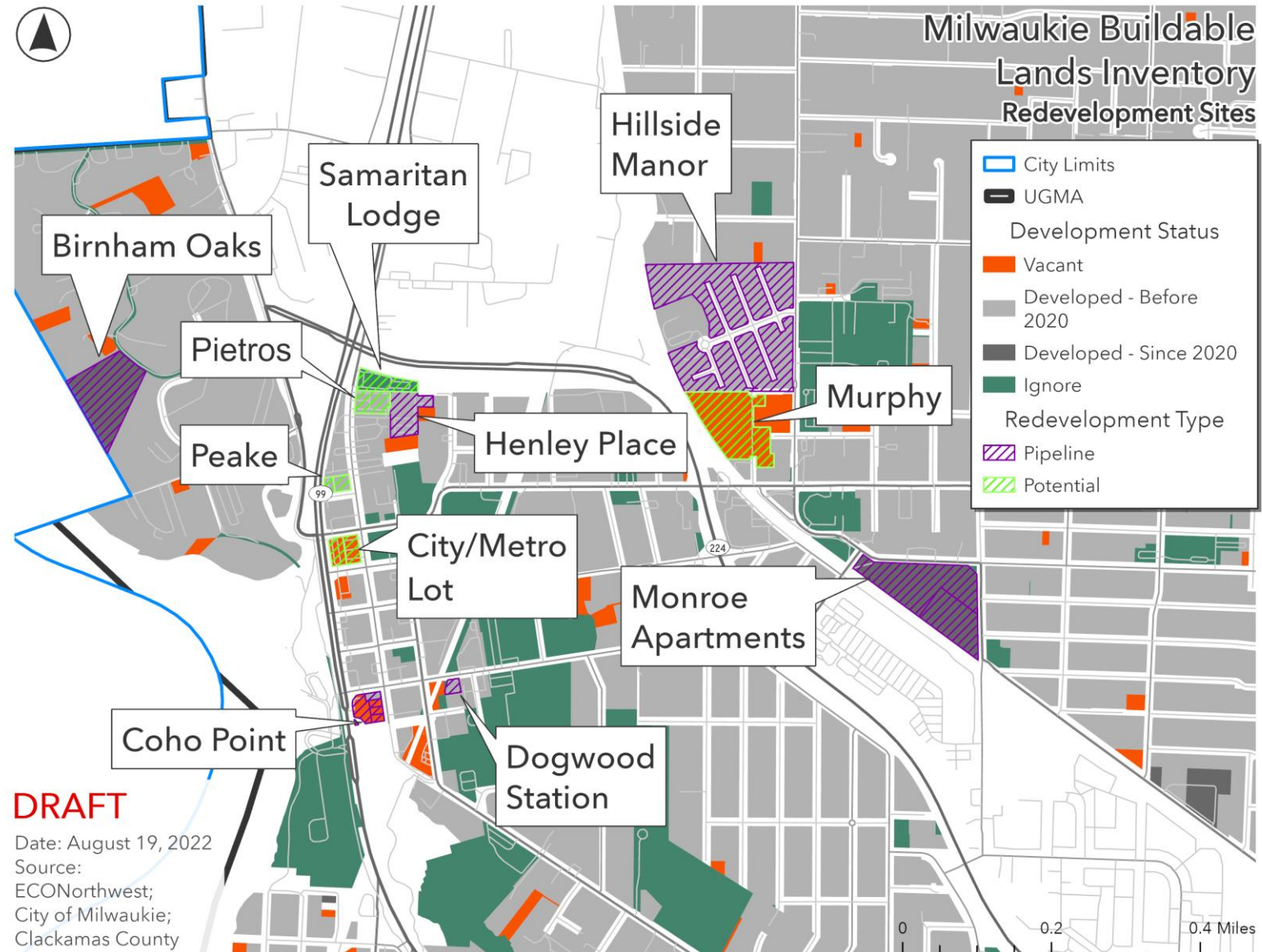


## Part 2: Mixed-Use Redevelopment Potential

# Mixed-Use Redevelopment Pipeline and Potential

Staff identified potential sites for mixed-use redevelopment based on local knowledge and property owner/developer interest

Results in potential for 1,388 new dwelling units, if all develop





How much residential land is available within  
Milwaukie?



# Capacity of Vacant Land for New Housing

- Combine capacity on vacant land, infill potential of middle housing, and mixed-use redevelopment potential
- Capacity ranges between about 2,960 and 3,960
  - Highest uncertainty is how much middle housing redevelopment will happen

Plan Designation	Capacity on Vacant Land (Dwelling Units)	Middle Housing Infill and Redevelopment Potential		Mixed-Use Redevelopment Potential
		Low	High	
Moderate Density	148	600	1,600	
High Density	92			
Commercial Mixed Use	730			1,388
<b>Total</b>	<b>970</b>	<b>600</b>	<b>1,600</b>	<b>1,388</b>



# Milwaukie's Land Sufficiency

- Moderate Density: May have enough capacity if more than the low estimate of middle housing infill occurs
- High Density: There is little land and capacity in high density.
  - Should the City consider re-zoning land for High Density?
  - Why are development densities so low in High Density?
- Commercial Mixed Use: Development interest is high in this area.
  - Is this the preferred location for future multi-unit housing?

Plan Designation	Capacity (Dwelling Units)		Demand (Dwelling Units)	Capacity less Demand (Dwelling Units)	
	Low	High		Low	High
Moderate Density	748	1,748	969	(221)	779
High Density	92	92	450	(358)	(358)
Commercial Mixed Use	2,118	2,118	251	1,867	1,867
<b>Total</b>	<b>2,958</b>	<b>3,958</b>	<b>1,670</b>		44



# Initial Stakeholder Outreach: Begin discussions

Housing issues most concerned about:

1. Cost of buying a home (62% of the 202 respondents);
2. Cost of rent (54%);
3. Housing options and availability (52%).

Housing types Milwaukie needs more of:

1. Duplex/Triplex/Quadplex (62%);
2. Cottage housing (51%);
3. Single dwelling (48%);

Housing issues Milwaukie should focus on:

1. Long term affordable housing (67% of respondents rated as high importance);
2. Increase access to goods/services accessibly by bike and walking (61%)
3. Affordable renting options for households under \$50k (60%)
4. Preserve/maintain existing housing (53%)
5. Prevent housing displacement (49%)

# Engage Milwaukie - Preliminary Survey Findings (cont.)

## Limited diversity of survey respondents

- More likely to be white, older single-dwelling homeowners than the city as whole

	Survey respondents	Milwaukie as a whole (ACS 2015-2019)
Race	<ul style="list-style-type: none"> <li>• White Alone - 86%</li> <li>• Latino/a/x (of any race) - 6%</li> <li>• Two or more races - 6%</li> <li>• Asian - 1.5%</li> <li>• Black or African American - .5%</li> </ul>	<ul style="list-style-type: none"> <li>• White Alone - 83%</li> <li>• Latino/a/x (of any race) - 9%</li> <li>• Two or more races - 3%</li> <li>• Asian Alone - 3%</li> <li>• Black or African American Alone - 1%</li> </ul>
Median Age	<ul style="list-style-type: none"> <li>• 46 years old</li> </ul>	<ul style="list-style-type: none"> <li>• 40 years old</li> </ul>
Tenure	<ul style="list-style-type: none"> <li>• 78% own their home</li> <li>• 21% are renters</li> </ul>	<ul style="list-style-type: none"> <li>• 59% own their home</li> <li>• 41% are renters</li> </ul>
Structure Type	<ul style="list-style-type: none"> <li>• 79% live in a single dwelling home</li> <li>• 4% live in multi-dwelling housing (2-4 units per structure)</li> <li>• 9% live in an apartment</li> </ul>	<ul style="list-style-type: none"> <li>• 67% live in a single-dwelling detached unit</li> <li>• 2% live in a single-dwelling attached unit</li> <li>• 6% live in multi-dwelling housing (2-4 units per structure)</li> <li>• 25% live in multi-dwelling housing (5+ units per structure)</li> </ul>

# Equity Steering Committee Feedback

## Outreach recommendations:

- Since the margin of error in HCA data was so high for communities of color, outreach to these groups should be prioritized to gain more information on housing needs and how the city could help meet those needs.
- Outreach should focus on going to where people already are. Make it easy and accessible.
- There are limited community organizations in Milwaukie that the City could work with. Think about partnership opportunities and other creative ways to access underrepresented people.

- Finalize Housing Capacity Analysis
- Upcoming public engagement
  - Discussion groups on housing needs of underrepresented communities.
- Continue discussions about HPS



THANK YOU!



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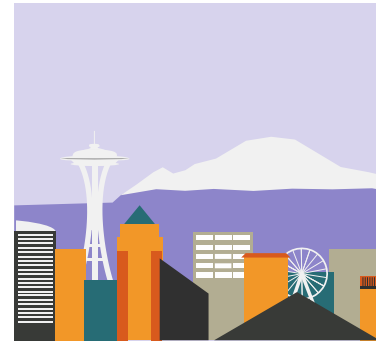
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